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EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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No. 31,036 Weekend December 30/December 31 1989 D 8523 A

WORLD NEWS

Havel elected Czechoslovak President

Playwright Vaclav Havel, jailed for his human rights activities by Czechoslovakia's previous Communist regime, was yesterday elected the country's first non-Communist President since 1945.

Bomb threat to flight

About 30 of the 130 passengers booked on a Northwest Airlines Paris to Detroit flight today changed their travel plans after a bomb threat was publicised. Page 2

Drug suspect seized

Troops raided an estate on Colombia's Caribbean coast and seized Jose Antonio Ocampo Obando, a suspected leader of the notorious Medellin drug dealing cartel. Page 2

Bulgaria changes stance

Bulgaria's new Communist authorities have scrapped the forced Muslim assimilation policy which drove thousands of ethnic Turks to flee the country. Moslems will no longer have to take Bulgarian names and the ban on using the Turkish language and practising Islam is being lifted.

Anti-reforms campaign

Opponents of the Government's planned reforms of the National Health Service are banding together under an umbrella organisation called the Federation of NHS Support Groups. Page 4

Princess on charges

Princess May Al-Sabah, daughter of the Emir of Kuwait, was sent for trial by magistrates in London on charges of illegally importing heroin, cocaine and cannabis. She was conditionally bailed.

French gaynight

An escaped prisoner shot dead a French policeman and fatally injured another when he was cornered after a chase in the southern city of Nimes. The man was shot dead by his pursuers.

India to pursue payoffs

India is to press the Swiss authorities for help in tracking down alleged illegal defence contract payments from the Swedish Bofors company, said Prime Minister V.P. Singh. He said Bofors would get no more contracts from India until it identified the Indians who took money in the deal. Sikhs win new demand. Page 3

Kohl rejects border call

West German Chancellor Helmut Kohl rejected a call by the president of the country's parliament for both German states to recognise Poland's post-war borders. Berlin Wall self-off plan. Page 2

NK camp stormed

Hong Kong police stormed a camp used by Vietnamese boat people after a day of violence thought to be linked with the colony's compulsory repatriation policy. Page 3

Ambulance row grows

The war of words in the 18-week ambulance pay dispute intensified, with both sides making propaganda points about the effectiveness of ambulance cover in London over new year. Page 4

New year holiday

The Financial Times will not be published on Monday, New Year's Day. It will be published again on Tuesday, January 2.

BUSINESS SUMMARY

Management buy-out plan at The People

Publisher Robert Maxwell announced plans for a management buy-out at The People, the Sunday newspaper. The move is the first of its kind in the UK national newspaper industry and is part of a large reorganisation at Mirror Group Newspapers involving substantial investment in its three national titles. The flotation of the group will be postponed from next year until 1991. Page 22 and Lex

MONDADORE

Recent legal judgments may prevent both Carlo De Benedetti and Silvio Berlusconi from winning clear control of Italy's largest publishing group in the next few months. De Benedetti is thought to have paid La100bn (248m) to increase his stake from about 17.4 per cent to 21.5 per cent. Page 10

JAPANESE share prices

overcame concerns about the year's losses and closed the year with a fourth consecutive high in a half-day session. The Nikkei average gained a moderate 38.93 to 38,915.87, a rise of 29 per cent this year. Page 13

FRENCH trade balance

swung sharply back into the red in October with a deficit of FF2.7bn (291m), compared with a surplus of FF2.2bn in September. Page 2

TVS Entertainment

said it had reached agreements with 17 out of 20 executives on "golden handouts" binding them to the TV company until the next financial year and beyond. Page 8

SOCK SHOP

International of the UK is in talks with a potential partner in an attempt to re-open its 17 US shops, which were closed last weekend. Its shares fell 6p to 52p yesterday when news of the closure broke. Page 8

JAMES DICKIE

Scottish foreings and castings manufacturer which has faced strong shareholder criticism, announced plans to buy Goldstar, a larger private engineering company, in an all-share deal that would value Goldstar at £7.7m. Page 8

AUSTRALIAN earthquake

The cost of earthquake damage to the east coast port of Newcastle is likely to be less than the initial estimate of A\$1.5bn (£750m) by the Insurance Council of Australia, according to UK insurers. Page 3

US index of leading indicators

rose by 0.1 per cent in November, to 144.7 (1989=100). This figure is being read as a signal of a sluggish economy, but not a recession. Page 2

POLAND: Industrial nations

finalised an emergency loan for Poland of as much as \$500m (£310m) to help cushion the blow of a tough economic austerity programme. The US will provide \$200m. Page 2

SOVIET UNION imposed

drastic restrictions on barter and export of a wide range of food, consumer goods and raw materials, including oil, coal and timber, to protect its domestic market from worsening shortages. Page 2

TATE & LYLE

UK sweeteners group, unveiled a corporate logo to mark its recent international expansion. It plans to appoint Coopers & Lybrand as its auditor, replacing Touche Ross. Page 3

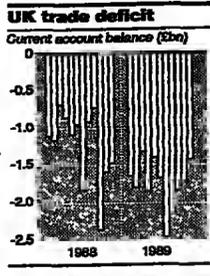
ALCOHOL SALES

are at a record level and off-licences are one of the most buoyant retail sectors, according to retail consultancy Verdict. The overall value of the alcoholic drinks market is estimated at £20bn this year. Page 4

Current account deficit fall boosts sterling and equities

By Patrick Harverson, Economics Staff

BRITAIN'S current account deficit fell to £1.4bn last month, well below City of London forecasts which had become increasingly pessimistic ahead of the announcement. The deficit, about £300m below expectations, bolstered London equities and helped sterling to recover after two days of sharp declines.



However, the latest figures from the Central Statistical Office also pointed to a deterioration in Britain's balance of invisible trade. The monthly surplus from activities such as banking, insurance and tourism was estimated at £100m in November and October following the recent sharp downwards revision in the third

quarter invisible surplus to £204m from the earlier estimate of £800m. Analysts said that the rising cost of borrowing to finance the deficit contributed to the declining invisibles surplus, as did the repatriation of profits by foreign companies from their UK subsidiaries. On the visible trade account, the November figures showed a sharp fall in the volume of car, consumer and capital goods imports. The continued high level of exports indicated that manufacturers were successfully switching production from slowing domestic markets to meet expanding demand overseas.

Bond group is closer to collapse

By Ray Bashford

THE GROUP of companies headed by Mr Alan Bond, the Australian businessman, was yesterday pushed closer to financial collapse when a syndicate of international banks applied successfully for the appointment of a receiver to a subsidiary.

National Australia Bank, one of Australia's three largest banks, made the application on behalf of the international syndicate which has outstanding loans of A\$880m (£440m) to Bond Brewing. In its filing to the Victoria Supreme Court in Melbourne, NAB said Bond Brewing, a fully-owned subsidiary of Bond Corporation, had failed to rectify breaches of a loan agreement which were detailed in Bond Corporation's last annual report. The full list of banks lending money to the brewing offshoot is not known. However, the principal lenders to Bond Corporation are NAB and Hongkong and Shanghai, each of which is owed A\$600m, Standard Chartered, Midland, First National Boston, Indocor, Drexel Burnham Lambert, Merrill Lynch and a syndicate led by Salomon Brothers. Ironically, the receiver was appointed as Mr Bond was preparing to taste victory in the



Alan Bond at the helm of his yacht with skipper Peter Gilmore after winning the Sydney-Hobart race yesterday

Bid for Dixons was made 'on the cheap'

By Nikki Tait

DIXONS, the UK electrical retailer fighting a £568m bid from the retail group Kingfisher, yesterday claimed that its predator was trying to take advantage of a cyclical downturn in the consumer electronic markets to acquire the company 'on the cheap'.

Mr Stanley Kalms, Dixons chairman, claimed there were 'strong indications that the industry is over the worst' of its recent downturn. This improvement had been demonstrated most strongly among some 'bigger ticket items', largely representing discretionary expenditure by consumers. In its first formal defence document, Dixons argued that longer-term growth was in sight. This would be due to increased market penetration for certain products, such as camcorders and CD players; a trading-up by consumers; and the introduction of new products, such as portable CD players and satellite television. Kingfisher - formerly Woolworth - immediately hit back at the Dixons document:

'There is nothing in this to inspire any confidence in Dixons' prospects under its present management.' Mr Nigel Whitaker, corporate affairs director at Kingfisher, claimed Dixons had failed to address criticism of its recent performance. In its document, Dixons says Kingfisher has failed to understand the company's strategy for its two main chains, Dixons and Currys. It claims that moves to target Dixons more precisely on certain higher value product markets, and to focus the Currys investment programme on superstores, is already producing results. The document contains no new financial information about Dixons recent trading performance. Mr Kalms said that a forecast for the current financial year would be made later in the bid battle. Dixons shares added 1p to 186p yesterday, compared with Kingfisher's 120p-a-share cash offer. ARMOUR firmly buckled on, Page 6; Lex, Page 22

David Steel awarded knighthood

By Michael Cassell, Political Correspondent

MR DAVID STEEL, leader of the Liberal Party for 12 years until he stepped down in 1988 after the demise of the Liberal-SDP Alliance and the creation of the Liberal Democrats, has been awarded a knighthood in the New Year Honours list published today.

Mr Steel, an MP since 1966, heads his party's defence and foreign affairs team in the Commons. His name was put forward by Mr Paddy Ashdown, the Liberal Democrat leader, the only opposition leader to make honours recommendations. A total of 947 people have been honoured in a larger than usual list including politicians and leaders in commerce and industry, business, sport and the arts. There are also awards for civilians and emergency service staff involved in the Lockerbie air crash last December, in which 270 people died.

Continued on Page 22 New Year Honours, Page 5

Table with columns for Sterling, Dollar, Stock Indices, and various market data including FT-SE 100, Nikkei, and bond yields.

Table with columns for Contents, listing various sections of the newspaper such as Man of the Decade, Stanley Kalms of Dixons, and Quotes of the year.

Advertisement for Dunhill watches, featuring a large image of a watch and the text 'INDIVIDUALITY. A CLASSIC TIMEPIECE THAT REPRESENTS THE PINNACLE OF THE WATCHMAKERS ART...'.

Romania reform package unveiled

By Judy Dempsey in Bucharest

ROMANIA'S new leadership moved quickly yesterday to consolidate its grip over the country and to prepare an economic and political programme aimed at dismantling the legacy of the Ceausescu era. Mr Ion Iliescu, president of the Committee of National Salvation, said free parliamentary elections would take place in April, the leading role of the Communist Party would be abandoned immediately and the economy would be organised on the basis of efficiency and profitability. He named several more new ministers. The government, led by Mr Petru Roman, the Prime Minister, remains under the control of the GNS, set up a week ago after the crowds and the army toppled the dictatorship of Mr Nicolae Ceausescu. Mr Atanasiu Stanculescu, an army general, was yesterday chosen as minister for the economy, reinforcing concerns that the army is likely to have considerable leverage over decision-making in the new administration.

Weekend FT



ARMAGEDDON AND THE GREENS One thousand years ago there were fears that the world would end. Linda Bilmes and Mark Byford hear uncanny echoes of this doomsday talk today Page 1

Finance The outlook in the markets for 1990 Page 11

How To Spend It Lucia van der Post says goodbye to the designer decade Page 11

Travel Michael Thompson-Noel daydreams about The Great Escape. And FT writers explain their travel choices Pages XVI-XVII

Planet Earth Lylal Watson comes home to Africa Page VII

Arts Ripostes to A.N. Wilson's claim that the past decade has produced no great art Pages XVIII-XIX

The Third Age Next week - a special issue on the ageing of Britain

OVERSEAS NEWS

HK police storm boat people's camp

By John Elliott in Hong Kong

MORE than 900 riot police used tear gas to storm a Vietnamese boat people's camp in Hong Kong yesterday, after a day of violence believed to be linked to the colony's new policy of mandatorily repatriating boat people to their homes.

At least 48 police and security staff were injured. A large number of boat people are also believed to have been injured and 27 arrested. Over 700 illegal weapons were seized.

The police attack took place at the Chi Ma Wan camp which, according to unconfirmed reports, will be supplying boat people for the second mandatory flight back to Hanou in the next two or three weeks.

The first mandatory plane load of 51 men, women and children returned to Hanou in the early hours of December 12. Plans are now being drawn up for the second flight, despite international condemnation of the policy.

Meanwhile, a voluntary repatriation programme continued yesterday with a plane-load of 111 people flying back to Hanou. This brought the total since the flights started in March to over 870. Another flight is planned within a fortnight.

The mandatory repatriation policy is causing unrest in Hong Kong's boat-people camps which house some 56,000, including about 40,000 expected to qualify for repatriation to Vietnam.

One man was killed early yesterday after a fight in Shek Kong detention centre which officials said was caused by a row over food distribution.

In Chi Ma Wan, security staff attempted to search the camp for weapons after a series of violent incidents, but were resisted by boat people throwing stones and wielding iron bars and knives.

Usually, the boat people are searched to take place. But yesterday they refused, despite several hours of talks with staff from the security forces, the United Nations High Commissioner for Refugees and other volunteer agencies.

Mr Geoffrey Barnes, Secretary for Security, said last night that many of the boat people had been armed with rough weapons.

They had put up "strong resistance" to the search. This led to teargas being used to disperse the crowds.

Mr Douglas Hurd, UK Foreign Secretary, who has stoutly defended the policy, is expected to visit Hong Kong around the time of the next month's mandatory flight for talks on the colony's general problems.

Sir David Wilson, the Governor, is planning a visit around the same time to Peking which is one of the few foreign capitals publicly to have supported the December 12 flight.



Another contingent of Vietnamese who volunteered to return home from the Hong Kong camps wave goodbye yesterday the December 12 flight.

Three top Korea party men quit

THREE senior members, including the chairman, of South Korea's ruling Democratic Justice Party resigned yesterday in advance of former president Chun Doo Hwan's testimony to parliament today.

Mr Park Jun Kyu, leader of the party, offered his resignation after an interview with him was published in which he predicted dissolution of the ruling party and installation of two mainstream political parties.

Mr Park said he expected South Korea's system of government to change into a parliamentary cabinet-style one, with the President taking a more neutral stance.

The other two members to resign were Mr Chung Ho Young, a parliamentarian and former general, and opposition leader Han Sang-ho, who is expected to put an end to the legacy of military rule.

Mr Han Sang-ho, a former martial-law commander, who now heads a housing corporation, also resigned his post yesterday.

The resignations pave the way for a Cabinet reshuffle and a new government to be formed. The former leader will be questioned by the National Assembly in a session expected to last 12 hours.

Churches to fight Ethiopia famine

A group of church-sponsored agencies hopes to win government permission to distribute food aid in rebel-held areas of northern Ethiopia in the next day or two, relief officials in Addis Ababa yesterday.

Relief officials said the Ethiopian government was expected to announce a framework for a consortium of Ethiopian-based church agencies to distribute supplies in the rebel-held province of Tigray.

Mr Roy Randall, spokesman for Royal, said yesterday that the BEP steel plant had not been damaged, and fires were from the company burning off excess methane gas.

Opec president changes jobs

Mr Rilwan Lukman, president of the Organisation of Petroleum Exporting Countries, and a key moderating force in the 13-nation oil group, was moved from his job as Nigeria's oil minister yesterday, and appointed foreign minister in a cabinet reshuffle.

The new Nigerian oil minister is Mr Jibril Aminu, who was moved from the ministry of education. It was not immediately clear if Mr Lukman, 61, would continue to serve as Opec president.

Khmer Rouge drive for Angkor

KHMER ROUGE guerrillas, backed by government forces, are moving to seize Cambodia's Angkor Wat temples, the country's most important religious sites, Reuters reports from Bangkok.

Khmer Rouge radio on Thursday reported guerrillas to advance into a swathe of the north-western plain dominated by the majestic temples.

"Continue to move forward, to liberate and control Sra Noy, Banteay Srei, Angkor Thon and Siem Reap town," a text of the broadcast received in Bangkok yesterday said.

Angkor Thom was the capital of the 900-1300 A.D. empire considered by Cambodians as their most glorious epoch.

The Khmer Rouge, who ruled Cambodia for four years from 1975 under the leadership of Pol Pot, claim to have cut main road and rail links between Phnom Penh to the north-western towns of Siem Reap, Banteay Mancheay and Battambang.

Diplomats said there was no prospect of a quick end, either through negotiations or military victory, to the 11-year conflict between the Hanou-installed government and Khmer Rouge-dominated guerrilla groups.

Diplomats said the Khmer Rouge, blamed for the deaths of more than 1m Cambodians during their four-year rule which ended when Vietnam invaded in 1979, are believed to have infiltrated deeply into the country since September.

Pol Pot and other reclusive radicals blamed for the reign of terror remain in command of a guerrilla force variously estimated at between 15,000 and 45,000 guerrillas.

"No one knows just what the Khmer Rouge are doing. Clearly, the government is giving ground against them in the west," one diplomat said in Bangkok.

After Vietnam's army withdrew in September, the Khmer Rouge and two weaker Western-backed groups launched an offensive from bases in Thailand.

All Cambodian guerrilla groups are relatively weak and the diplomat said guerrillas owed much of their gains to the "atrociousness" of the Cambodian army.

"They're all pretty hopeless, but the government is operating at a particularly high level of hopelessness," another Western envoy said.

The army appears to be concentrating on retaining control of important towns while Prime Minister Hun Sen tries to enlist international support for a political settlement that would isolate the Khmer Rouge.

Kuwait warns over 'meetings'

THE Kuwaiti government, in an apparent attempt to contain growing agitation for the revival of a democratic parliament, has warned Kuwaitis against holding unauthorised meetings, Reuters reports from Kuwait.

An Interior Ministry statement published yesterday said that people had been abusing the traditional "diwaniyas".

These are popular gatherings in private homes where men discuss a wide range of topics from politics to culture and entertainment.

The Ministry statement warned Kuwaitis to obey the law and not to allow the meetings to be used in ways that would violate the age-old customs of private diwaniyas.

Travellers from Kuwait have spoken of growing demands for democracy at weekly gatherings, after the apparent refusal of the Emir, Sheikh Jaber al-Ahmed al-Sabah, to receive a petition for the recall of the parliament, which had been suspended in 1986.

They said the question of greater democracy in the region was raised at a meeting this month of the six-member Gulf Co-operation Council (GCC) which discussed the implications for the region of change in eastern Europe.

The summit was attended by Kuwait, Saudi Arabia, Bahrain, Qatar, Oman and the United Arab Emirates, but the sources said there was no sign that Kuwait would bow to the demands for a revival of its parliament.

Bahrain is the only other GCC state to have had a parliament. This was dissolved in 1976.

The last Kuwait diwaniya on December 25 is said to have attracted up to 2,000 people.

The travellers said that although no meeting was planned for the coming week, the New Year holiday, invitations had been issued for a diwaniya the following week.

The biggest gathering was reported on December 18 when up to 5,000 people were said to have met in a large mosque after police broke up a private diwaniya the previous week.

But a senior member of the ruling family, Sheikh Sabah al-Ahmed al-Sabah, Foreign Minister, was reported to have told some of those present that such methods would not be repeated.

Representatives of some 45 leading Kuwaitis have been trying to meet the Emir to deliver the petition signed by thousands of Kuwaitis asking him to consider reviving the assembly.

It was dissolved at the height of the war between Iran and Iraq when Kuwait became a target of pro-Iranian sabotage.

Australia quake cost downgraded

THE cost of earthquake damage to the port of Newcastle on the east coast of Australia is likely to be less than the initial estimate of \$41.5bn (\$700m) by the Insurance Commission of Australia, according to UK insurance companies.

Royal Insurance, the UK composite insurer, said that there was less structural damage from Wednesday's earthquake than originally expected.

Many homes in Newcastle had escaped damage because they are made out of wood, and casualties had been kept down because the disaster happened on a bank holiday when people were not at work.

Earthquake insurance cover was easily available for householders and business because insurers had not expected an earthquake in the area.

Mr Roy Randall, spokesman for Royal, said yesterday that the BEP steel plant had not been damaged, and fires were from the company burning off excess methane gas.

The Newcastle earthquake is latest in a series of natural catastrophes which has made 1989 the worst year for disasters in the history of the insurance industry.

Insured losses from hurricane Hugo in the Caribbean and US in September may total \$9bn, the San Francisco earthquake in October \$600m, and the explosion at the Philip's Petroleum plant at Pasadena, Texas, in the same month \$1.4bn.

Even where UK insurers are not directly involved, a high proportion of catastrophe losses usually comes back to London through reinsurance treaties.

Much of the \$1bn insured loss inflicted by Cyclone Tracy which killed 66 people and devastated the port of Darwin in 1974 ended up in London.

Several thousand people in the last six years.

Mr Singh has already visited the holy Sikh city of Amritsar to demonstrate his wish to apply what he called "a healing touch" to Punjab. He then promised to remove various irritants in the way of a settlement, including the "draconian laws" in force there.

The new Government yesterday also acted on election pledges by introducing two other bills.

One provides for establishment of a three-member bench of judges to inquire into complaints of corruption against politicians.

The other bill introduced yesterday seeks to establish an autonomous corporation to manage the Government-owned radio and television networks in the country.

This follows criticism of the administration of Mr Rajiv Gandhi, the former Prime Minister, for allegedly misusing broadcasting and television services for propaganda purposes and denying facilities to opposition parties.

UK NEWS

Dover is first port to handle 2m cars in year

By Kevin Brown, Transport Correspondent

THE PORT of Dover, which claims to be the world's busiest ferry port, yesterday became the first to handle more than 2m cars in a single year.

Mr John Turgoose, marketing director, said the two millionth car passed through at midday.

The port also expects to handle a record 1m lorries and 15m passengers before the end of the year.

The figures reflect a strong recovery in traffic since 1988, when the port suffered from a long dispute between P&O European Ferries and the National Union of Seamen.

The growth in ferry traffic confirms the tight dates when made five years ago to invest millions of pounds to maintain Dover as the gateway between the UK and mainland Europe," Mr Turgoose said.

Dover has invested more than \$20m over five years on berth facilities, land reclamation and traffic management systems.

The city also plans to spend a further \$3m on another general cargo berth.

Sealink and P&O, the two main ferry operators, have increased their capacity, and new ships will be introduced on the Channel routes next year.

The Government recently refused the two companies permission to begin operating a joint service before the opening of the Channel tunnel, which is scheduled for 1993.

The likely impact of the tunnel on Dover remains unclear, but the port remains "confident we can stay ahead of future competition," Mr Turgoose said.

Leading Scots companies' profit up 14%, study says

By James Buxton, Scottish Correspondent

SCOTLAND'S leading companies are in good financial shape, with sales 25 per cent higher and profits up by 14 per cent in the most recent 12-month period, according to a survey of Scotland's top 200 companies.

The survey, conducted by the magazine Scottish Business Insider, shows that the companies' net assets have risen by 47 per cent over the past four years and shareholders' funds by 52 per cent.

Since the previous annual survey, employment by the 200 companies has increased by 8 per cent, more than double the rate a year earlier.

However, wage costs went up by just over 11 per cent. Dividends rose by more than 35 per cent, although the figure was inflated by a number of exceptional payments.

General Accident, the Perth-based insurance company, is Scotland's biggest company, as calculated on an index combining profitability with turnover.

The Edinburgh-based life assurance concern, thanks to a 42 per cent increase in net profit to £290m, compared with Standard Life's increase of 26 per cent.

The third largest Scottish company is BP Exploration (Europe), which is now based in Glasgow and includes British Petroleum, which BP took over in 1988.

The most profitable company was Edinburgh Fund Managers, the unit trust and investment trust management company, which had a 66 per cent profit margin, although that was lower than the previous year's 76 per cent.

Scottish Metropolitan Property, the property developer, was cited as the second most profitable, with a 61 per cent margin.

Its rival City Site Services was third with a 46 per cent margin, and BP Exploration fourth at 41 per cent.

Of the 200 companies on the list published in Scottish Business Insider's January issue, 132 are either owned in Scotland or are public companies with headquarters there.

Scotland's 100 best paid directors received an average

per cent increase in net profit to £290m, compared with Standard Life's increase of 26 per cent.

The highest paid director is Sir William Lithgow, chairman of Lithgow Holdings, his family company with interests in fields such as electronics and fish farming.

He was paid £362,000 in 1988, but explained that he was only compensating himself for many years in which he had neither received a dividend nor taken a salary from his business.

Second highest paid was Mr Norman Mackinnon, chairman of the family-owned Drumbull Liqueur company, who was paid £370,649 until his recent death.

Mr Anthony Greener, managing director of the Edinburgh-registered United Distillers, part of Guinness (of which he is now chairman) came third on £272,000.

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Brooke vows to beat terrorism

By Our Belfast Correspondent

MR PETER BROOKE, the Northern Ireland Secretary, yesterday pledged that the Government would do all in its power to defeat terrorism, as the IRA predicted that the 1990s would see a reversal of British policy leading to withdrawal from Northern Ireland in the next decade.

In his new year message, Mr Brooke said violence had no place in a democratic society.

"The majority of people in Northern Ireland want to see an end to violence. There may be a hope of making some further progress towards that objective in 1990 and some further political progress.

"Like so many people here, I want to see locally elected politicians able to participate more directly than they do now in the government and administration of Northern Ireland."

The Provisional IRA's new year message said the Republican movement was entering the 1990s with "an unwavering attitude towards freedom, by forcibly preventing a political settlement based on the fundamental principles of national self-determination and sovereignty, the British Government knows that it is continuing to send soldiers to their deaths."

"The struggle with all its suffering, has been unnecessarily drawn out because of the comfort given to the British by successive Dublin governments." The IRA said the Irish Government and Northern Ireland's mainly Roman Catholic Socialist Democratic and Labour Party had failed to call for Britain's withdrawal for fear of being accused of coercing the Ulster Unionists.

Wayward border in danger land

Kieran Cooke finds crime, killing and caprice on the Irish frontier

A BITING wind blew across the hills as a small group of worshippers gathered for Sunday afternoon service at Drumady Methodist Church. The old church stove belched out welcome warmth. The windows rattled. The sky outside grew black. Children and parents sang a round of carols, heartily.

It might have been a Christmas service anywhere. But Drumady is different. Its church is on the southern tip of County Fermanagh, Northern Ireland, only a few hundred yards from the border with County Monaghan in the Irish Republic.

It is beautifully wild but dangerous country. Terrorists, civilians, and members of the security forces have been killed within a few miles of the place - only recently, Sunday prayers were offered for two soldiers killed in an IRA attack on the town.

The Rev Dudley Cooney, the Methodist minister, looks after several churches in the area. "Several of my people have been killed by the IRA. The border checkpoints are inconvenient but vital. Without them, the IRA can escape all the more easily."

Mr Cooney feels things are more tense along the border these days.

"Unfortunately the divisions between the two sides of the border seem to have grown. There are many ways, the people of Ulster - unionists and nationalists - are different from those on the other side of the border. The trouble is the border defines that difference and introduced regulations to stop shoppers from going north to take advantage of prices, generally far cheaper. Citizens who want to bring goods back from the north must prove they have been out of the Republic for more than 48 hours."

Mr Charles Haughey, the Irish Prime Minister, says the measures were necessary to save the economy of the Republic's border regions, but

caused widespread resentment. Roads are often reopened by local people, only to be sealed again by the army.

The shops do little trade. There is no petrol pump. Locals say the last time Clones came alive was in the early 1980s, when Barry McGuigan, a native of the town, became world featherweight boxing champion.

As border tensions have risen and as the economies of south and north have become more separate - particularly since the Republic became a full member of the European Monetary System - Clones has been cut off from its natural hinterland in Northern Ireland.

In spite of the 48-hour rule, many people still travel north for their petrol, drinks and many other goods. Supermarkets just over the border do a roaring trade - most have double tills to allow customers to pay in Irish or British currency.

Price differentials have encouraged widespread smuggling. Thousands of gallons of diesel - which can cost up to three times as much in the Republic as in Northern Ireland - are smuggled across

the border. Whiskey is up to £4 a bottle more expensive in the Republic and is another popular item with smugglers.

Livestock is smuggled and furtive traders take advantage of various European Community allowances for variations in currency rates. Cows are said to grow fatter on the constant motion.

Mr Brendan McGahan, an Irish MP for a border constituency, recently said sheep were suffering from vertigo from being loaded on and taken off cross-border trucks so frequently.

It has reached the stage where you need members of the army with fixed bayonets along every inch of the border to stop the smuggling," said Mr McGahan.

Mr John Madden lives at Hilton Park, a stately pile just in the Republic. The Maddens, a Protestant family, have been in the area for more than 250 years.

They once farmed more than 12,000 acres. They now have 600. The division of the estate by the border was main factor in its decline.

"We cross the border frequently. But longer journeys into the north can be a terrible hassle," says Mr Madden. "Not long ago I was stopped at five checkpoints on an hour-long journey." Life in the area is not easy.

"We are cut off socially here from friends in the north. The border towns are rather dead, and they are more tense than they used to be."

Many Protestants live on the Republic side of the border. Drumady, a village near Clones, is almost completely Protestant.

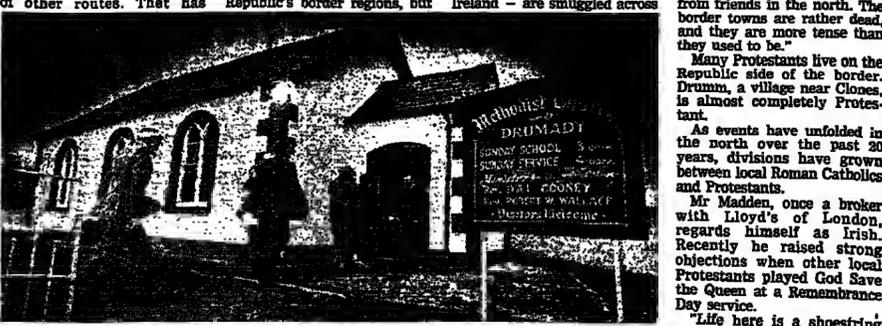
As events have unfolded in the north over the past 20 years, divisions have grown between local Roman Catholics and Protestants.

Mr Madden, once a broker with Lloyd's of London, regards himself as Irish. Recently he raised strong objections when other local Protestants played God Save the Queen at a Remembrance Day service.

"Life here is a shattering existence. The atmosphere locally is not always pleasant."



A solitary horseman shows how easy it is to cross the Irish border at points that the British Army has tried to close



The IRA has killed several members of the Methodist community

UK NEWS

Labour promises inflation link for state benefits

By Michael Cassell and Alan Pike

A LABOUR government would revert to the practice of its predecessors by linking the annual uprating of pensions to price inflation or the increase in earnings, whichever is the higher, Mr Michael Meacher, the party's social security spokesman, pledged yesterday.

Mr Meacher, who was announcing the results of an analysis of the value of state benefits in the 1980s, claimed that, as a result of government policies, more than 20 per cent of the population receiving benefit payments had not shared in the growth in gross incomes.

He said state incomes for the poorest members of society had continued to fall further behind incomes for those in work, in some cases by as much as a third.

State pensions for a couple, according to Labour, had fallen from 43.3 per cent of male aver-



Michael Meacher, pledge of 'fair shares' under Labour

Off-licences prosper as alcohol sales rise

By Alice Rawsthorn

MORE money is being spent on alcohol than ever before, according to a report from Verdict, the retail consultancy.

It found that off-licences, in spite of the downturn in consumer spending, are one of the most buoyant sectors in the high streets.

Verdict estimates that the value of the overall alcoholic drinks market stood at £20bn this year against £18.5bn in 1988.

The fastest-growing part of the market is the take-home sector, which was worth just over £5bn.

The overall alcohol market has increased by 13 per cent in the past three years, but the tendency to drink at home rather than in pubs and restaurants has meant that the take-home sector has grown by 20 per cent.

The large grocery groups dominate take-home sales with a combined market share of 47 per cent.

Sainsbury is the market leader with 7.3 per cent of sales, followed by Tesco with 7.2 per cent and Gateway with 6.5 per cent.

Alcohol has become one of the most profitable areas of the grocery trade.

Verdict estimates that sales of alcohol by the grocery groups rose by 12.5 per cent to £2.5bn last year, compared

with overall grocery sales growth of 9.5 per cent.

The specialist off-licence chains have lost market share to the grocery groups over the years, yet still claimed 43 per cent of take-home sales.

Victoria Wines, a subsidiary of the Allied-Lyons drinks group, is the largest off-licence chain, with 9.3 per cent of the take-home market.

Thresher, which is owned by Whitbread, comes second with 6.1 per cent. Peter Dominic, part of Grand Metropolitan, is third with 6.0 per cent.

Wine has emerged as the most dynamic area of the alcoholic drinks market.

Wine sales rose by 46 per cent to £3.5bn between 1983 and 1988, at a time when sales of all alcohol grew by 29 per cent.

White wine is still the most popular type of wine, although red wine and sparkling wine are showing greater growth.

Sales of white wine actually fell during 1988, whereas sparkling wine showed growth of 12 per cent.

Sales of beers and spirits have slowed although sales of low-alcohol beers and wines, while still comparatively low, are experiencing a rapid growth.

Verdict on Off-Licences 1989. Verdict Research, 113 High Holborn, London WC1V 6JS. £895

The strategic view of Paddington

Paul Cheeseright on the conflicts of west London building schemes

WESTMINSTER City Council is facing the most complex and delicate series of planning decisions in its history.

It faces demands for a massive increase in office space in the Paddington area, although it knows that the present infrastructure is too fragile to support rapid expansion.

Three planning applications for a total of 4m sq ft of office space plus extensive shopping, with additional applications for hotel extensions and the redevelopment of existing offices add up to the biggest package of commercial space demands that the council has ever had to face.

Taken together, the applications amount to the third-largest property development in London, after Canary Wharf in Docklands and the King's Cross railway estates.

However, Paddington is arguably more complicated than Kings Cross because there are several developers instead of one. Furthermore, the council is anxious that the mistakes made in Docklands should not be repeated in Westminster.

In London Docklands, the speed of development has run ahead of the ability of the infrastructure - transport links and so on - to cope with it.

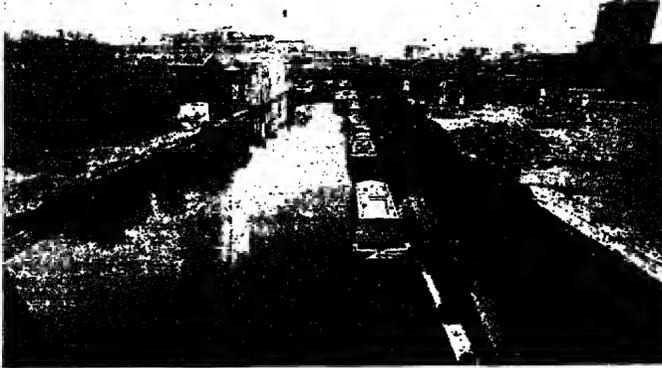
To avoid that in Paddington, the developments will have to be phased. It involves "taking a strategic view," to quote the words of councillor David Weeks, chairman of Westminster planning committee.

A series of difficulties arises, which the council must resolve. The first is the obvious one that the regulations demand that applications should be treated individually, although the council would like to see them all taken as a whole.

So it is necessary to pull competing development teams along in some sort of co-ordinated fashion.

The teams are:

- Grainhurst Properties, which is a consortium of Regalian Properties, NCF Properties and Higgs & Hill; it wants to build 1.7m sq ft of offices in the Paddington area.
- The British Waterways Board-Trafalgar House joint venture, which is looking for



The site of the planned development next to Paddington Station

nearly 1m sq ft of offices and nearly 240,000 sq ft of shopping space.

The regional and district authorities - five of them are involved at present - that want to use surplus hospital land for 1.2m sq ft of offices so that they can pay for an expansion of medical facilities.

In addition, Beristoff wants to redevelop an existing office block nearby, while Lario is planning a second expansion of the Metropole Hotel to provide it with about 1,100 bedrooms.

Westminster Council can control the planning applications for these developments, but is much less its own master when it comes to the infrastructure. Therein lies the second set of problems.

The difficulty here is that both these rail links are contingent on parliamentary approval and thus outside Westminster's control.

British Rail, however, has its very own traffic studies. So do each of the main development teams. So does the Department of Transport.

Even if it becomes possible to reconcile all of that, Westminster City Council has to feed into its calculations local community views and its own vision for the Paddington area.

Much of the land on which the developments are planned has been semi-derelict and under-utilised for years.

It was partly to revive the area that the council designated Paddington as an area where development should be encouraged.

Local community groups are articulate and vocal. Like all such groups they would like the development, but not the extra congestion that might accompany it in their own districts.

They will have something to say about new office towers, five of which could be casting their shadows over the area.

Residents are about to have the chance to do that.

In the interests of dialogue, Mr Weeks has written to every one of them and his letters should by now be falling on doormats.

Westminster Council, though, will do nothing until it has analysed the results of its own specially commissioned traffic studies.

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BA cuts fares on Spanish holiday routes

By Paul Abraham

BRITISH Airways has cut fares on routes to holiday destinations in Spain after a sharp fall in bookings throughout the holiday industry.

The airline has cut fares by between 20 and 25 per cent on routes from the UK to Málaga, Barcelona and Madrid. The company said it had seats available on these services - partly because of a slight increase in capacity - and had decided to pass on lower fares to customers. He refused to comment on whether the market had weakened.

Demand for holiday packages last summer fell by between 5 and 10 per cent on past years. Bookings for next summer look far worse - they are currently at least 50 per cent down on last year.

British Airways' move is likely to intensify competition with charter airlines on Spanish routes.

Groups fighting NHS reforms unite to co-ordinate opposition

By Alan Pike, Social Affairs Correspondent

ORGANISATIONS OPPOSED to the Government's proposed health reforms yesterday formed the NHS Support Federation to co-ordinate their resistance to the changes.

The new federation has set itself the ambitious short-term target of achieving the withdrawal or fundamental amendment of the National Health Service and Community Care Bill, now before Parliament. It will confront MPs considering the bill during its committee stage with detailed arguments against the proposals.

A range of pressure groups including the NHS Consumers Association, Hospital Alert, the NHS Support Group for Judicial Review and London Health Emergency are among initial supporters of the federation.

Professor Harry Keen, professor of human metabolism at Guy's Hospital, London, was elected chairman of the federation at yesterday's inaugural meeting in London. He said

afterwards that the groups supporting the federation had a range of objections to the Government's proposals, but the fundamental one was that they would introduce a spirit of commercialisation into British medicine.

"That is the central offence which we see in the Government's proposals. They will lead to trading in health care, with services going to the highest bidders," he said.

The Government's proposals - including allowing hospitals to become self-governing trusts outside direct health authority control, and offering family doctors budgets from which they would purchase hospital care on behalf of their patients - have been opposed by almost all medical and patients' organisations.

In addition to maintaining that opposition, the federation will carry out research into alternative ways in which the NHS should be reformed.

Prof Keen emphasised that, although it opposed the Government's plans, the federation was not against change in the NHS. It had "fallen into neglect" over the past ten years, and priorities had to be set for innovation and renovation. The study would enable gaps in existing provision to be identified more clearly, and provide information to justify the case for increased spending on the NHS.

"We recognise the need to update the service and take stock of its resources," he said. "There are some elements of the Government's proposals which will help do this and we welcome these. It is, for example, putting computers into hospitals - but that is something which should have started happening 15 years ago."

The federation hopes to attract a large individual membership as well as attracting more organisational support.

Current account deficit narrows again to £1.42bn

By Patrick Harverson, Economics Staff

NOVEMBER'S TRADE figures will have come as a pleasant Christmas present for the Government. At the end of a year in which the current-account deficit steadily worsened, culminating in the £2.5bn record shortfall in July, it appears that the medicine of high interest rates has begun to work.

The drop in the current-account deficit last month to a seasonally adjusted £1.42bn from the revised £1.78bn in October was regarded in the City of London as further proof that the corner has been turned. It was the fourth consecutive monthly fall.

Probably the most cheering figure released yesterday was the visible non-oil trade deficit. At £1.7bn, it was the lowest since September 1988, and nearly £1bn better than the record £2.6bn deficit in July. Excluding the contributions from oil and erratic items, such

CURRENT ACCOUNT (£bn)					
	Current Balance	Balance	Visible Trade	Imports	Invisibles Balance
1987	-3.6	-10.9	78.4	90.4	+7.1
1988	-14.7	-20.8	80.8	101.4	+6.2
1989	-4.8	-6.0	21.7	27.8	+1.4
Oct	-5.1	-5.9	22.6	28.5	+0.8
Oct 3	-6.5	-6.7	23.8	30.3	+0.2
Sep	-1.8	-1.9	8.4	10.3	+0.1
Oct	-1.7	-1.6	8.1	9.9	+0.1
Oct	-1.7	-1.5	8.1	9.9	+0.1

as ships, North Sea installations, aircraft and precious metals, the volume of exports was 7 per cent higher between September and November compared with the previous three months, while imports were actually 1/2 per cent lower.

On an annual comparison, export volume was 13 per cent higher in the last three months compared with the same period in 1988, while imports volume was only 6 1/2 per cent up on a year ago.

City analysts said the figures suggested that British manufacturers had responded to the slowdown in domestic demand and the subsequent easing of capacity pressures by switching production to export markets. At the same time, strong growth in world and European

trade-weighted index and over 9 per cent against the D-Mark, the value of non-oil imports rose by only 1/2 per cent over the previous three months.

That suggested that import prices had barely moved in that period, in spite of sterling's weakness.

However, there is traditionally a time lag between a change in the exchange rate and a change in import prices. The effects of the weak sterling, therefore, might yet feed through as higher import prices over the coming months.

Yesterday's figures have improved the likelihood that the 1988 current-account deficit will be close to the £20bn Treasury Autumn Statement forecast.

If the current trend in export and import growth is maintained into next year, the Treasury's 1990 forecast of a £15bn deficit may not prove over-optimistic.

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CBI president tells industry to keep investing in 1990

BRITISH INDUSTRY was warned yesterday not to let "gloom-mongers" talk the economy into recession in 1990.

Sir Trevor Holdsworth, president of the Confederation of British Industry, acknowledged in his new year message that 1989 had been "designated a difficult year" but argued that there was "every ground for optimism."

He urged companies to invest in new capacity, innovation, the infrastructure "and above all in people" to ensure that gains in manufacturing productivity, the investment boom and the "cautious buoyancy" of exports all continued.

"The risks of continuing speculation with ownership and financial engineering with the real thing have never been greater. The UK is the fore-

most takeover target in Europe and the 1990s will belong to those who take the long view - not those looking for near-instant returns."

Only if British industry kept up the momentum of investment would it overcome the trade deficit and the "unacceptably high" level of inflation.

Sir Trevor called on companies, particularly small ones,

to seek more export opportunities and urged the Government to ensure "a level playing field" for British business to compete on equal terms with its trading partners and rivals. "Subsidies are not the answer, nor is protectionism. Competition is the spur."

In his new year message, Mr Peter Morgan, director general of the Institute of Direc-

tors, said he did not anticipate recession. "We expect economic activity to be no lower than in 1989, and we are confident businesses will take advantage of the many continuing growth sectors of the economy, particularly the improving climate for exports."

He also reiterated the IoD's call for tax cuts for businesses and individuals.

EMPLOYMENT

Ambulance cover pledged over New Year holiday

By Diane Summers, Labour Staff

THE PROPAGANDA battle being fought by both sides in the ambulance dispute intensified yesterday when the London Ambulance Service claimed that, in spite of the dispute, there would be more ambulances on the road in the capital over the New Year holiday than there were last year.

The claim was in response to a call from the ambulance unions for talks to be resumed before the busy New Year period and for 999 calls to be put through to suspended ambulances "for the sake of public safety."

Mr Tom Crosby, London's chief ambulance officer, said there would be a total of up to 130 vehicles operating in London on New Year's Eve, compared with only 70 last year.

"Normally on New Year's Eve we would hope to man 95 vehicles, but sickness and annual leave can often reduce this figure. This year we can be sure that all the vehicles planned will be operational," he explained.

Mr Roger Poole, the ambulance unions' chief negotiator, said the police and army, in spite of their best efforts, would not be able to cope. He urged the Government to lift the ban on transferring calls to ambulance stations.

Meanwhile, union leaders face pressure from ambulance workers to come up with a move that will end the stalemate. The dispute, which has now gone on for 18 weeks, is chiefly over the rejection of a 9 per cent 15-month pay offer. Unions will meet in London on January 4 when calls for an all-out strike are likely.

In Greater Manchester ambulance staff were last night planning to step up the action. Mr David Owen, the local representative for the ambulance unions, said crews would refuse to use their radios and would not treat patients between hospitals.

He said he had to remind the stewards that there would be no central support for strike action.

Staff at three Middlesex stations, who were to be refusing to answer all calls, had failed to persuade other London crews to join them, said Mr Stuart Barber, a London union He urged them to be patient and wait for the January meeting.

There was no further action yesterday following the suspension of staff who had refused to transfer from divisional offices to headquarters in Waterloo, he added.

Earnings drop further for clothing workers

By Michael Smith, Labour Correspondent

WEEKLY EARNINGS for male manual workers in clothing manufacture have fallen in the last year from 75 per cent of average earnings for all manufacturing employees to 69 per cent, according to a report published yesterday by the Low Pay Unit.

Women's wages have also declined in relation to the average. Nearly nine out of 10 full-time women workers in the industry earned less than the male pay threshold of £157 a week in 1988.

The Low Pay Unit published the document in response to proposals by the Clothing Manufacturing Wages Council to lift the minimum rate by 16p per hour, or 7.6 per cent.

This, it argues, is inadequate at a time when inflation is rising by 7.7 per cent, and average earnings are rising by 9 per cent. The minimum rate offer represents only 53 per cent of the Council of Europe's decency threshold for wages.

The Clothing Manufacturing Wages Council is the fifth larg-

est in Britain, covering an estimated 147,600 workers in 6,964 establishments. Like the other 25 wages councils in Britain, it is under threat following publication by the Government earlier in the year of a green paper proposing their abolition.

Ms Kathy Sutton, author of the report, says the councils play a vital part in protecting workers from exploitation. Without the clothing council, pay could fall even further in an industry already plagued by labour shortages, low morale and high labour turnover.

The report says that the clothing industry remained the worst paying manufacturing sector in 1988, with average weekly wages at £188.50 for men and £136.20 for women.

Clothing workers are also required to work longer hours than most. For example, the average week for employees in clothing hats and gloves was 38.4 hours in 1989, compared with a national average of 37.7 hours.

Laws to curb hazards of noise at work

By Diane Summers

REGULATIONS designed to reduce the damage to hearing caused by loud noise in the workplace came into force on New Year's Day. Employers are required to assess noise exposure and take appropriate action, depending on the level of noise.

At a noise level of 85 decibels averaged over a working day (85 dB(A)), employees have to provide information to workers and issue ear protection if requested. At 90 dB(A) noise must be reduced if possible and employees told to wear ear protection.

Machine makers and suppliers have to provide adequate information about equipment likely to cause noise of 85 dB(A) or more.

The Health and Safety Executive describes 85 dB(A) as the "level at which most people need to be clearly understood by someone two metres away." At 90 dB(A) the distance "would be about one metre."

The higher the sound level the shorter the time workers can be exposed to it without damaging their hearing, says the executive. An increase of 3 dB(A) doubles the noise and halves the time that anyone should be exposed.

The executive says excessive noise is a significant health hazard. Apart from accelerating the normal hearing loss associated with age, the increased pulse rate, blood pressure and breathing rate indicate that noise and vibration cause stress.

Damage is cumulative and young people, in particular, should be protected before their hearing is permanently damaged, it warns.

The deadline for assessing risks relating to hazardous substances is also January 1. This is under the Control of Substances Hazardous to Health (COSHH) Regulations 1988, which came into force in October. A recent HSE survey found that small business, in particular, had little knowledge of the new rules.

Pilot scheme to advise youth on jobs

By Our Labour Staff

A PILOT scheme to help people aged 16 to 18 find jobs is being launched by Trafford Park Development Corporation and Salford City Council. The scheme, called Workout, will provide advice on presentation, telephone and interview techniques and application procedures.

Organisers believe the scheme is among the first of its kind in the country. Workout will be publicised through local schools, youth clubs and careers centres. It will cater for eight to 10 young people at a time in weekly sessions. The scheme, if successful, may be extended to other areas.

Pedal allowance up

THE TREASURY has agreed to a claim by the Council for Civil Service Unions for an increase in pedal cycle allowance from £20 to £30 a mile in line with an agreed formula.

A small number of civil servants use their bicycles while travelling on official duties, said the Treasury. Stringent criteria were applied to who could claim the allowance, it explained.

Toilet time curbed

JEAN SORELLE, the toiletry company, has told its 230 staff in Peterborough that they are allowed to go to the lavatory only three times a day, and for no longer than three minutes at a time.

The company said the rule was designed to help the company meet financial targets. It would not be enforced "on someone with a problem." The TGWU general workers' union called the rule diabolical.

Girobank allowances

GIROBANK, the Post Office bank, has agreed to raise allowances for London staff by 14 per cent from £2,634 to £3,000 a year, with payments backdated to July 1 last year. Allowances for staff in Ashford and Bristol are being pegged at £200.

ENGELS-HOLLANDSE BELEGINGS TRUST N.V. (English and Dutch Investment Trust) Established in Amsterdam.

From 1st January 1990, holders of Participation Certificates will be entitled to convert their Certificates into Ordinary Shares quoted on the Amsterdam Stock Exchange. Holders wishing to convert should apply to the Paying Agent, 190 Strand West, London, EC2M 6ST, London EC2P to obtain the necessary forms.

A memorandum on the tax implications for UK holders of Participation Certificates is available on request at the office of the Paying Agent. On frequent occasions on the Amsterdam Stock Exchange the only holder of the ordinary shares may be the Company, in which case as a replacement the not applicable as set out in the memorandum will apply.

For more than active discussions have taken place and will continue, in order to explore the opportunities for widening the shareholdings in the Trust.

A meeting in London will be held on 22nd January 1990 at 11.00 hours at the offices of Guardian Royal Exchange, Coventry House, 3 South Street, London EC3M 3DQ to inform holders of Participation Certificates and Ordinary Shares of these matters.

The Management, HOLLANDSE EOPANBANK N.V. AMSTERDAM

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UK NEWS

New Year Honours continue to be widely spread



William Waldegrave Privy Counsellor, Michael Angus Knight, John Patten Privy Counsellor, Sir John Fieldhouse Baron, Sir James Clesminson Knight, Sir Nicholas Lyall Privy Counsellor, John Quinton Knight, George Turnbull Knight, David Steel Knight, Derek Hornby Knight

BELOW IS A selection from the Queen's New Year Honours list.

LIFE PEERS BARONS

Advised Sir John (David Edley) Fieldhouse, former Chief of Defence Staff... Sir Nicholas Lyall, Privy Counsellor, Minister of State, Home Office (MP, Oxford West and Abingdon)

KNIGHTS

Mr Michael Richardson Angus, chairman, University of London... Mr David Barrow, chairman, North East Thames Regional Health Authority

ROYAL VICTORIAN ORDER KCVO

Sir John (Francis Harcourt) Barker

ORDER OF THE BRITISH EMPIRE GBE

Sir James Clesminson

DBE

Miss Maggie Smith, Mrs Cross, across Mrs Rachel Elizabeth Waterhouse, for services to consumer affairs

KBE

Sir James Arnold Library Clerk, chairman, British Overseas Trade Board

CBE

Sir J.C. Ashford, chairman and chief executive, Co-operative Food... Sir J.C. Ashford, chairman and chief executive, Co-operative Food



Sir Francis Tombs Baron

Sir Ray Grandson, general secretary, Apex Partnership... Prof. John Matthews, director, Institute of Engineering Research, Agricultural and Food Research Council

Mr Michael Steele-Bellenger, for services to rugby union football

Mr J.E. Tomlinson, chairman, Northumbria National Park Commission... Mr R.E. Thurgood, for political service

Mr J.C. Anderson, managing director and general manager NCR (Manufacturing), Dundee

Mr J.M. Addison, author, The Cumberland News... Mr G.H. Andrew, chairman, Colloids

Miss Sylvia Arnes, senior designer, Wain Fashion Group

Mr R.S. Barrow, senior consultant, Postcard Distributor (consulting engineers)... Mr J.R. Bevan, chairman, English Chamber Orchestra

Mr R.S. Barrow, senior consultant, Postcard Distributor (consulting engineers)

Mr R.S. Barrow, senior consultant, Postcard Distributor (consulting engineers)... Mr J.R. Bevan, chairman, English Chamber Orchestra

FT FINANCIAL TIMES CONFERENCES CREATING A EURO-WORKFORCE IN THE 90s 22 & 23 January, 1990 Inter-Continental Hotel, London. Speakers include: Mrs Vasso Papandreou, European Commissioner for Social Affairs; The Rt Hon Norman Fowler, MP Secretary of State for Employment; Mr John M M Banham, Confederation of British Industry; Sir Edwin Nixon, CBE, IBM United Kingdom Limited; Mr Richard Pearson, University of Sussex; Mr Tony Raban, Forum Européen de l'Orientalion Académique; Professor Dr Matti Ojala, Nokia Corporation; Mr Ivan R Yates, CBE, British Aerospace plc; Mr Eric G Friberg, McGraw-Hill & Company Inc, Belgium; Professor John Ashworth, University of Salford; Sir Bryan Nicholson, The Post Office; Mr Angus Fraser, Imperial College of Science, Technology & Medicine; Professor Paul Lee Evans, Institut Européen d'Administration des Affaires (INSEAD); Mr Olle Ranäng, AB SKF; Mr John De Leeuw, Philips International BV; Mr Richard T Noonan, Ford of Europe Incorporated.



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Political economy

It would not be in Britain's or, I believe, Europe's interest to join the present half-baked system. Professor Sir Alan Walters, on the disadvantages of the exchange rate mechanism of the European Monetary System

The year the Chancellor's position was 'unassailable'

BUSINESS QUOTES of the YEAR

Let's face it: all this talk about a free trade area is basically about arms deals. Anonymous industrialist commenting on trade negotiations between the EC and the Gulf states



Margaret Thatcher, Alan Walters (left) and Nigel Lawson

Impoverished and he didn't care to ponder them. Steve Cosser, chief executive of Australian independent TV production house Brookdown, on the sale by Mr Frank Long's Westfield group of the Channel Ten network

matter of great regret to us. National Westminster Bank

It was at the edge of what (UBS) would accept as a philosophy of doing business. Robert Studer, chief executive of Union Bank of Switzerland, on his bank's involvement in Blue Arrow

Good bankers, like good tea, can only be appreciated when they are in hot water. Jaffer Hussain, the governor of the Malaysian central bank

This is the only country in the world where the food is more dangerous than sex. Jackie Mason, comedian

Consumers are getting fed up with hearing about the after-life at funerals. Some find it very offensive. Maevie Denby of the British Humanist Association

The pub is the centre of village life which has served local needs as nothing else has, including the Church. I find myself comparing this phenomenon to the dissolution of the monasteries. Bishop of Truro on the Monopolies Commission report on the brewers

I think women who used to wear these garments have fallen off the edge of the world. Bob Fleming on the closure of the Spirilla corsets factory

We must accept that serious errors were made in the handling of the Blue Arrow rights issue in late 1987 and some of the actions at the time fell below the high standards we have set within the NatWest group. This is a

Our favourite holding period is forever. Warren Buffet, on his \$1.2bn investment in Coca Cola

We don't pay taxes. The little people pay taxes. Leon Haimson, as quoted at her first trial in Manhattan

Glory to yuppies! Long may they live! Long may they drive Jaguars! Lord Young

I love dying businesses. Lawrence Tisch, chief executive of Loews, on the profits of its Lorillard tobacco unit

You've heard about white knights and golden parachutes. We're calling this the golden coffin. William Prickett, representing shareholders unhappy with Occidental Petroleum's plan to give the Armand Hammer Foundation seven years of Chief Executive Armand Hammer's salary when he dies

Marketing

It's just called The Bible now - we dropped the word 'Holy' to give it a more mass-market appeal. Judith Young of Hodder and Stoughton

This difference between Sky Television and the Loch Ness Monster is that some people claim to have seen the Loch Ness monster. Austin Mitchell

German reunification is desirable and inevitable. Alfred Herrhausen, chief executive of Deutsche Bank, shortly before he was murdered by terrorists

I became (Robert Maxwell's) chief of staff on June 9, 1985. Everyone remembers when they joined Maxwell. It's like remembering where they were when Kennedy was shot. Peter Jay, on leaving Robert Maxwell's employment

The Conservative party never has been, and never will be, the party of devaluation. Nigel Lawson, when Chancellor of the Exchequer

Dreams have their place in managerial activity, but they need to be kept severely under control. Lord Weinstock

Trade policy

This time the Japanese hadn't just snuffed up another building, they had bought a piece of America's soul. Newsweek summarising American reaction to Sony's purchase of Columbia Pictures

No is not the beginning of a disagreement or a serious argument. On the contrary, 'no' is the beginning of a new collaboration. If Japan truly says 'no' when it means 'no' it will serve as a means of improving the US-Japan relationship. Alcio Morita, in The Japan That Can Say No, a book of which he was the co-author

They cheat, they cheat. Alain Gomez, chairman of the French Thomson group, on the strategies of his Japanese competitors

Bundling and unbundling

I always said that mega-mergers were for megalomaniacs. God, the idea of being taken over by that odious little jerk really gives me the creeps. David Ogilvy's expurgated comment two weeks before agreeing to the takeover of the advertising agency he founded by Martin Sorrell's WPP Group

It raises in my mind a question about your definition of business. Gerald Corrigan, president of the New York Fed, on the business leadership award presented to Henry Kravis

None of us, not even the Treasury, had the slightest idea what we were getting into. Citicorp chairman John Reed on the Brady international debt initiative

Let me emphasise, the interests of the Mexican people are above the interests of the creditors. Carlos Salinas de Gortari, Mexico's President

It's now reached the point that if you buy a toaster you

Corporate life

An overburdened, overstretched executive is the best because he or she doesn't have the time to meddle, to deal in trivia, to bother people. Jack Welch, chairman of US General Electric

An uncertain supply of independent contractors might prevent Mustang Ranch satisfying customer demands. Warning from a Nevada brothel in its share prospectus

I think Frank came to the view this business had many

High finance

In France, financial markets have traditionally been tolerated as a necessary parasite. Daniel Lebègue, chief executive of Banque Nationale de Paris

If the number 73 bus goes down Park Lane and you're in Oxford Street, it is not a missed opportunity if you didn't get on it in Park Lane. Lord Weinstock, boss of CEC, defending himself against accusations that he had missed opportunities in the past

The Syrians found that if they shot six or seven artillery rounds into the industrial zone in the morning, people would not come to work. I tell my

Charity

From Mr Michael Gardiner. Sir, I have received another Form of Election to apply for new shares instead of a dividend. Many companies now offer shareholders this opportunity and it seems to be increasingly popular.

What is not popular is the trifling amount of dividend paid on the balance of the shares. It must cost each company many times the cash value of the dividend to process and post the cheques. Many shareholders, like myself, must be irritated at having to complete a paying-in slip for a few pence.

Surely it would be better to put all these small amounts together and give them, with the shareholders' approval, to an agreed charity. The directors might themselves add something to the fund, in recognition of the money saved by not sending out the cheques. Michael Gardiner, 32 Old Vicarage Green, Kingtonham, Bristol

Research

From Mr Frank Heller. Sir, you report (December 20) Mr MacGregor, the Education Secretary, defending his Government's support of British higher education by claiming that research productivity in the UK as measured by the number of scientific papers written and the number of contributions to journals, was exceeded only in the US.

This distinguishes use of statistics should not be allowed to bolster the government's poor record on research support. American academics long ago learned to write up their work so that two to four papers can be squeezed out of what should be a single report. They should be beginning to follow this trend, though reluctantly, but I have not noted a similar comparison in other countries.

To use numbers of separate publications as the criterion of value for money has many negative consequences, among the most counter-productive are the discouragement of long-term and cross-national comparative research, and the encouragement of individual rather than group investigations. Frank Heller, 84 Wood Vale, N10

Day's wages

From Mr H.W. Stanley. Sir, with reference Eric Short's article 'One for the cautious' (FT, December 9) I would like to make clear that investment in the Legal & General Guaranteed Equity Fund III is restricted to 'earned income', according to Legal & General's Birmingham and London offices.

This phrase apparently rules out would-be investors such as myself who are in receipt of a fixed monthly pension following some 43 years spent earning it! H.W. Stanley, Maryworth Barn, Upper End, Birmingham, Pershore, Worcestershire

Europeans

From Mr G. Dee. Europe should at last be formally defined in terms of culture, history and geographical boundaries. The Foreign Secretary has made a good attempt to do so ('No Turks at the gates', FT, December 20). Article 237 of the Treaty of Rome provides that any European state may apply for membership in the European Community. However, there is no provision for full membership for any non-European state or states. These may apply for association or special agreements. Turkey's association agreement with the EC does not mean that Turkey is, or will be defined as, a European State, and therefore qualified for membership. G. Dee, 7 Grosvenor Court, Avenue Road, N14

The year dot

From Mr M.J. Fisher. Sir, Christopher Dunkley is wrong to say that the decade ends on December 31, 1991 (FT, December 14). If Christ was born on December 25 then that day would be 1 AD because it could not have been so designated at the beginning of the year. Nor could it be 1 BC respectively because Christ was born during the year. Therefore, the millennium's second decade began in 10, the next decade in 19, the century in 1980. M.J. Fisher, Pebble Brook, Kingswood Road, Altrington

Small investors' dealing costs

From Mr Richard Jones. The problem of high dealing costs for small investors needs to be addressed. One solution may be to follow the sorts of schemes now becoming more common in the administration of investment trusts.

Under one such plan it is easy to buy more shares worth a few hundred pounds after an initial minimum purchase of £250. In one recent transaction of this kind shares were bought at the price quoted in the FT and the only charge was for stamp duty.

The cost of this scheme falls on the registrars and through them on the company and ultimately on the shareholders. The small investor pays his share of costs pro rata, instead of a very much larger share under the present system. The company benefits (provided it invests the funds competently) from an expanding base of loyal shareholders and a higher share price.

The snag is that orders are paid for by cheque and investments are lumped together and made on a set day weekly. The deal only goes through on the first day after the cheque is cleared. However prices are not volatile, fluctuations are as likely to be in one's favour as against and stockbrokers commission or unit trust spreads of 5 per cent or more are avoided. Why cannot larger individual companies organise similar schemes? In this computer age registrars should be able to cope with, and even welcome the extra work. Stockbrokers would be spared much of the small business they presently find so burdensome and be free to concentrate on more lucrative institutional clients. The objective of a share owning democracy, to which so many pay at least lip service would be advanced by eliminating dealing costs and encouraging long-term thinking.

Those who wish to gamble could still use the present system and perhaps regard dealing expenses as some form of betting tax. Richard Jones, 7 Maple Avenue, Chorlton-cum-Earday, Manchester

Goodwill, gratis

From Mr Nicholas Stacey. Sir, There must be many who feel - as I do - increasingly irritated by the promotional junk mail received, largely from the financial services trades, offering gifts for the introduction of new clients.

A long wait

From Mr Michael Passey. Sir, On January 31, you reported that Falcon Resources plc, in which I am a small shareholder, had announced a series of steps which could eventually lead to a relisting on the Stock Exchange. The Times (January 31) said: 'Falcon set for April relisting.'

Since January, shareholders have seen little sign of progress. The last accounts were issued by the company in April 1988, and the shares have been suspended since October 1988. Is there a case for including in the next Companies Bill an obligation for directors of public limited companies to file accounts at six-month intervals? Failure to file accounts would result in automatic liquidation of the plc, unless the directors satisfied a court that there was good reason for the delay in filing accounts.

When the court sanctioned delay in filing accounts, the court should require the directors to return to the court at three-month intervals to seek permission for further delay. Shareholders are now kept in suspense indefinitely when their shares are suspended. Michael Passey, 53 Carr Manor View, Leeds

Goodwill, gratis

From Mr Nicholas Stacey. Sir, There must be many who feel - as I do - increasingly irritated by the promotional junk mail received, largely from the financial services trades, offering gifts for the introduction of new clients.

Apart from the fact that existing users of such services are paying for these promotions (and are being approached on what amounts to a pay-on-results basis - that is, a gift is sent if a new subscriber is found), the organisations might note the following: Why should they not offer gifts to existing members (some of long standing) gratis? Or confer other benefits on them (such as a reduction in charges)? Or save expenditure to pay better dividends? Or relieve the Post Office from carrying this conspicuous waste and, equally, the potential recipient from reading it? Nicholas Stacey, Reform Club, Pall Mall, SW1

Mr Pallant's latest article appears on page IV of today's Weekend FT.

Hogmanay hope

From Mr Ian Blackford. Sir, it is ironic to read Mr John Downes's assertion that the Scottish National Party (SNP) is a fringe party (Letters, December 2). I would argue that the real fringe party of Scottish politics is the Conservative party, not the SNP. At the European elections the SNP achieved 26.7 per cent of the votes, winning the Highlands and Islands seat. Rejection of the Conservatives in Scotland is now so marked that the party failed to win a single seat.

If Mr Downes wants to make sniping comments from the sidelines it is entirely up to him. Meanwhile we shall proceed constructively, prying across the vision of an independent Scotland within the European Community. Ian Blackford, 33 Stephens Road, Tunbridge Wells, Kent

No star to steer by

From Mr Ron Strahan. Sir, I trust that the fact that Daniel Pallant's 1988 astrological forecast for the UK equity market (December 31 1988) could hardly have been more wrong will dissuade you from publishing such rubbish in future.

According to Mr Pallant, 1989 was to be one of the worst years on record. The facts are that - as at December 1 - the FTSE-100 has risen some 650 points since the start of 1988, and not a single one of Mr Pallant's specific forecasts has come true.

If Mr Pallant has any trace of honour in him he should now donate to a suitable charity a sum of money equal to the fee he was paid for this nonsense, enhanced by an amount equal to the percentage rise in the equity market over the year, as well as the percentage he thought it would fall.

In other words, as small investors like myself have to do all the time, he should put his money where his mouth is. Ivan D. Strahan, 7 Lombard Avenue, Lisburn, County Antrim, Northern Ireland

ADVERTISMENT BUILDING SOCIETY INVESTMENT TERMS. Table with columns: Product, Applied rate net, Net CAR, Interest paid, Minimum balance, Access and other details.

UK COMPANY NEWS

Important pre-occupation for ITV companies in the run-up to competitive tendering
TVS secures 'golden handcuffs' on 17 executives

By Raymond Snoddy

TVS ENTERTAINMENT said yesterday it had reached formal agreements with 17 out of 20 key executives binding them to the ITV company until the next franchise round and beyond.

Forming "golden handcuffs" for top executives and programme makers has become an important pre-occupation for Britain's ITV companies in the run-up to the process of competitive tendering which will decide commercial broadcasting licences running from January 1 1993.

Mr James Gatward, chief executive of TVS, speaking after an extraordinary general meeting of the company in London, said: "I have reached agreements with most of the key executives to remain with the company for the franchise period and afterwards."

Mr Gatward declined to explain what form the golden handcuffs would take other than to say the agreements would not need shareholder approval. This approach is in contrast to London Weekend Television which decided on a radical restructuring of the company to create a share incentive scheme that will give 44 executives up to 15 per cent of the equity by 1993.

The TVS chief executive was speaking after shareholders passed a resolution approving a settlement agreement with Mr Arthur Price, former president and chief executive of MTM, the American television production company bought by TVS for \$320m in July 1988.

Eight shareholders voted for the settlement under which Mr

Price will give up rights to 10 per cent of the TVS stock worth around \$11m and there will be no votes against.

Lord Boston of Faversham, the TVS chairman, gave shareholders an opportunity to raise questions about any issue affecting the company but none were asked and the formal business of the meeting lasted only five minutes.

Afterwards Mr Gatward said that Mr Price had signed the necessary settlement documents needed to call the meeting on December 29.

Mr Price, speaking from Los Angeles yesterday, said that one important final document had only been signed on Thursday evening - a document that will prevent either side from taking any other over the TVS-MTM deal.

Mr Richard Adam, group finance director however said yesterday: "We are in no deeper hurry to place the block (of shares) until they are sold. The shares do not carry a dividend."

Mr Gatward also disclosed that the value of the MTM programme library, which includes successful programmes such as Lou Grant and Hill Street Blues, was being reassessed by management accountants.

At the time of the MTM purchase the programme library was put at \$200m-\$220m. The company should have the new valuation by the end of next month.

Mr Gatward confirmed that if MTM was successful in getting orders for new network shows in the US "some outside help" would be needed with the financing.

The options included selling a minority stake in the company and joint ventures on particular programmes.

MTM will have four shows on the US networks next year including a continuing series and has hopes that four others will be accepted at the pilot stage will be accepted.

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New identity for Tate but Mr Cube keeps in shape

TATE & LYLE, the sweeter group, yesterday unveiled a new corporate logo (top) to mark its recent international expansion, writes Clay Harris.

Its sugar packets in the UK, however, will continue to bear the old standard logo and the familiar figure of Mr Cube.

The new identity has already raised eyebrows at the company. The "e" in "Tate" lacks a central bar, except for that suggested by the discreet plus sign, leading some to see, at first glance, the word "Tate-lyle".



It was designed by Smith & Milton, the consultants responsible for Rowntree's logo.

Tate's logo made its debut on the group's 1988-89 annual report, which shows that payments to Mr Neil Shaw, chairman, increased by 53 per cent, from £345,000 to £524,000, during the year.

The group plans to appoint Coopers & Lybrand as its new auditors, replacing Touche Ross.

Mr Shaw, who has been in the company since 1982, was replaced by Mr Shaw in 1988. Mr Shaw's remuneration for 1988-89 was £524,000, an increase of 53 per cent on £345,000 in 1987-88.

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Buy-in to rescue Widney after losses of £1.1m

By Clay Harris

Widney, the engineering group, might announce a financial rescue after falling into loss and being forced to omit its final dividend and payments due on its preference shares. It lost £1.1m before tax in the year to September 30.

An announcement made after the stock market closed, Widney disclosed plans to raise £2.2m to meet the need for "an immediate injection of fresh capital".

The rescue takes the form of a management buy-in by Mr David Cassidy and Mr Paul Lines, former finance director and commercial director respectively of Porter Chadburn, the industrial holding company.

The £2.2m subscription at 10p a share, they will hold a total of 22 per cent and Hill Samuel nearly 19.5 per cent. The Takeover Panel has waived the requirement for a full offer. A placing with clawback for existing shareholders on a three-for-one basis will raise another £700,000. Widney's shares had closed unchanged at 15p.

The group makes enclosures for customers such as British Telecom (a business which is now to be sold to the division's management), windows for off-road vehicles and defence products such as ship-mounted decoy systems.

Widney's fall into the red from pre-tax profits of £227,000 in 1987-88 came on turnover of £15.6m (£16.1m). The loss per share was 9.5p (0.5p earnings). The company gave no trading details. There was an extraordinary profit of £408,000.

Mr Cassidy, who left Porter Chadburn in October, will become chairman and chief executive. Mr Lines, whose resignation was announced earlier yesterday, will be an executive director. Mr Martin Perry will quit as Widney's managing director and Mr Jonathan Davies steps down as chairman but remains as a non-executive director.

James Dickie plans expansion in engineering

By Clay Harris and Clare Pearson

JAMES DICKIE, the Scottish forger and castings manufacturer which has faced strong criticism from dissident shareholders, yesterday announced plans to buy Goldstar, a larger private engineering company, in an all-share transaction.

The current owners of Goldstar will hold 70 per cent of Dickie's enlarged equity. Based on Dickie's suspension price of 180p, Goldstar would be valued at £7.7m.

Dickie said the deal should allow resumption of dividends at an early date - the last payment was in 1988.

The proposed acquisition would be supported by Specialist Holdings, part of a concert party which speaks for 22.4 per cent of Dickie's shares. Mr Keith Daley, who heads Specialist, which has packaging and property interests, said he had requested assurances on several "fundamental" issues.

"If we are satisfied on these points we will support the deal," Mr Daley said.

On Thursday, Specialist announced that it was to hold fire on its long-running opposition to the Dickie board, saying it would vote against its own resolution to amend the articles of directors at an extraordinary general meeting on January 8.

This would allow Dickie's directors "a limited amount of time to develop a proposal to place before shareholders free from the threat of being removed." One condition of the Goldstar deal announced yesterday is that there be no "material change" in the composition of Dickie's board.

Goldstar, founded in 1977, owns five trading companies engaged in light engineering, fabrication and press work, toolmaking and the machining of castings and forgings. The present constituents of the group reported pre-tax profits of £30,000 on turnover of £19.2m in the year to August 31 1988.

Completion of the deal depends on Goldstar showing pre-tax profits of at least £500,000 for the 12 months to August 1989.

Mr John Grimmond, Goldstar's principal shareholder, will join the enlarged group as chief executive.

Specialist, which launched an unsuccessful bid for Dickie in 1987, is held by 15 per cent of Dickie's shareholders acting in concert. Mr Daley said his group had "expressions of general support from other shareholders."

In the half year to April 30, Dickie reported back into pre-tax profits to the tune of £23,457, compared with a loss of £106,038 in the comparable six months. But it warned that the improvement was not expected to continue into the second half when it announced interim results in August.

Management to buy an Imtec loss-maker

By Clay Harris

IMTEC GROUP, the USM-traded micrographics company controlled by funds associated with British & Commonwealth Holdings, is to sell its loss-making engineering graphics operation for £700,000 to the division's management.

The disposal will lead to a book loss of £1.6m, increasing the deficit on the group's profit and loss account to about £3m. This must be eliminated before the company can resume dividends - the last payment was in 1985.

Engineering graphics lost £2.34m before tax and interest on turnover of £2.55m in the final six months of 1988. Imtec said the division showed an unadvised loss of more than £1.4m on turnover of £1.6m in the first 10 months of this year.

Nearly two-thirds of Imtec's shares are owned by subsidiaries of B&C or funds under their management. Of the total, 40 per cent is owned by B&C Ventures, 8.5 per cent by B&C Development Capital LP and 16.5 per cent by Colonnade Development. Mr Willmott, an investment company whose own future is up for grabs (see story below).

Colonnade's stake in Imtec has a market value of about £400,000 - some 4 per cent of its net assets.

Mr Richard Wevill, of B&C Ventures, a director of both Imtec and Colonnade, made clear yesterday that the two developments were unrelated and that B&C had no immediate plans to sell or reduce its beneficial stake in Imtec.

As with many other of the financial services group's investments, however, he said: "We will consider any approach that would give us a reasonable return."

Imtec is to change its name to Laser-Scan Holdings, its remaining business. A strong performance from Laser-Scan enabled the group as a whole to show a pre-tax profit of £40,000 in the six months to June 30, its first move out of the red for four years.

In October, however, when it launched a £1.5m open offer, Imtec warned that Laser-Scan would not match its first-half performance. Yesterday, Imtec's shares rose 1/2p to 2 1/2p.

When the disposal takes effect, Mr Roy Barber will resign as chairman, to be replaced by Mr Willmott, a non-executive director. Mr James Monteth, of B&C Ventures, will become a non-executive director, and Dr Mike Jackson, managing director of Laser-Scan, will join the board.

offer if certain conditions are met. Strategist tabled its proposal before Christmas in an effort to provide an alternative to the board's proposals. It argues, however, that self-liquidation would cost less than a bid.

In the face of shareholder opposition, Colonnade said on Thursday it would not place its resolution before yesterday's extraordinary general meeting.

Mr Barber conceded that the B&C proposals were dead and said: "It is unlikely the resolution would have been passed."

Two Colonnade directors did not attend yesterday's meeting: Mr Peter Goldie, the chairman, who is also B&C's chief executive, and Mr Richard Wevill, of B&C Development Capital, who would have become a shareholder in and full-time executive of Colonnade under the original proposals.

Colonnade to disclose plans about its future existence

Colonnade's stake in Imtec has a market value of about £400,000 - some 4 per cent of its net assets.

Arlen approves injection

SHAREHOLDERS in Arlen, the light fittings and electrical accessories manufacturer, approved a cash injection of £1.3m from Inlith Group, a private company owned jointly by Mr Maurice Deak and Mr Peter Mearns, who are both managed by MTM. The subscription gives Inlith a 25 per cent stake in Arlen.

Most of the issue of ordinary and convertible preference shares is subject to a clawback by existing shareholders on the basis of 10 units for every 31 shares owned. The take-up is unlikely to be high, however, since the new shares are being issued at a premium to the market price.

A previous plan to issue free warrants to existing investors was dropped in the face of institutional opposition before the final proposals were put to shareholders.

Arlen, which passed its interim dividend in November, has assured shareholders it is not subject to a clawback on the basis of 10 units for every 31 shares owned. The take-up is unlikely to be high, however, since the new shares are being issued at a premium to the market price.

Memory refinancing package

Memory Computer, the computer services group, said it was negotiating a refinancing package to raise an additional £2.5m (£3.4m) after the end of talks about the possible buy-out of its Irish business by two former directors.

About two-thirds of the money will come from bank loans, and the rest from shareholders. Memory's USM-traded shares remain suspended at 7 1/2p, valuing the group at £2.9m.

An initial consideration of £2.25m is payable on completion and will be satisfied by the issue of 733,638 new ordinary shares.

In the fifteen months to March 31 last Taskmasters achieved pre-tax profits of £29,919 for the six months to September 30 compared with £28,745 previously.

The directors anticipated that the dividend for the year to March 31 1990 would be at least maintained at last year's 15.15p.

Turnover rose from £340,441 to £383,919, and after tax of £7,479 (£6,685) earnings per ordinary stock unit were 7.51p (6.72p).

Two more for Third Market

Analysis Holdings and Polysource Holdings have become possibly the last companies to join the Third Market before it merges with the Unlisted Securities Market early next year, writes Vanessa Houlder.

Polysource, a Welsh injection moulding business, is joining the market through an introduction of 10.3 shares by broker TC Combs. Analysis, which is also joining via introduction, is an electronic publishing company that provides updates on UK companies.

Stavert Zigomala edges higher

Stavert Zigomala, furniture and carpet wholesaler and retailer and investment holding company, reported pre-tax profits of £29,919 for the six months to September 30 compared with £28,745 previously.

The directors anticipated that the dividend for the year to March 31 1990 would be at least maintained at last year's 15.15p.

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Sock Shop shares tumble in wake of US store closures

By Alice Hawthorn

SOCK SHOP International, once one of the most successful companies in the retail sector, is in negotiations with a potential partner in an attempt to re-open its chain of shops in the US.

Sock Shop closed its 17 US units last weekend, when the Christmas sales season ended. Its shares, which are quoted on the USM, fell by 9p to 62p yesterday when the news of the closure broke.

The group has lost money in the US since it opened its first shop there two years ago. 30t of its first US unit in December 1987. The spread of "crack" - a cheap and highly addictive cocaine derivative - had aggravated crime problems, - meant it could not justify the cost of keeping them open.

Sock Shop is negotiating with a potential partner, who would provide the investment to re-open the shops and to expand its US business. Mr Moss said discussions should be concluded within the next two weeks. It is also in talks with the landlords of its US units in an attempt to reduce its rents.

Mr Moss said the New York clothing market had slowed down since Sock Shop opened its first US unit in December 1987. The spread of "crack" - a cheap and highly addictive cocaine derivative - had aggravated crime problems, - meant it could not justify the cost of keeping them open.

Panfida plans disposal of US interests to reduce borrowings

By Ray Bashford

PANFIDA GROUP, the retailer with a majority interest in Martins Newsagents, is disposing of its US interests in an effort to reduce group borrowings.

The Australian-controlled company announced yesterday that it was selling 90 per cent of its holdings in the convenience store businesses, TOC retail and Munford, which operate under the M&Mk Mart brand, and a 49 per cent stake in Tobago Bay Trading.

The US investments have failed to achieve the financial targets set when they were acquired in late 1988 and contributed heavily to the sharp downturn in Panfida's recent results.

Panfida made a pre-tax profit of £133,000 in the nine months to June 30 but this was turned into a loss of £241,000 after a £11m write-down of goodwill on the US acquisitions.

The sell-off will greatly increase the write-down for the full year while the group's consistently high borrowings will further complicating the refinancing plan.

TOC is expected to attract interest from major oil companies and other large convenience store owners of its 260 US freehold/gas convenience stores and operates another 90 leasehold sites in the south-east of the US, directors said.

Panfida has an equity investment of \$2.5m (£14m) in the company which was acquired for \$152m. The sale is expected to return net proceeds in excess of this equity investment.

Mr Wenzel said that Munford's performance had been "well below" expectation and he expected to realise a loss of up to \$14m on the investment. The company was purchased for \$52m and Panfida has an equity investment of \$14m.

The Tobago Bay holding will be sold for a nominal amount equivalent to the unspecified write-down value of the investment.

AFI clearance for buy-in resolution

By Vanessa Houlder

THE long running conflict between disgruntled shareholders and the Board of Amalgamated Financial Investments continued yesterday at an all tempered extraordinary general meeting held late in the afternoon. The resolution allowing AFI to buy up to six million of its own shares was passed but only after Mr John Scholes, the chairman, was backed by investors.

The meeting got off to a bad start when it lacked the necessary quorum and was postponed for half an hour. Champagne and piano music was provided - paid for, Mr Scholes stressed, by himself. However this did little to mollify shareholders who were incensed by Mr Scholes' refusal to answer questions at that stage.

Apart from Mr Scholes, the chief protagonist was Mr Richard Wollenberg, a former chief executive of the group. Last month he and two other dissident shareholders failed to win control of the investment company's board.

He opened the questioning with a request to know the total of the company's cash resources. The answer of £2.5m turned out to be one of the very few pieces of information offered in the meeting.

Questions focused on the £2.4m investment in Sacramento Resources, a holding company with gold mining interests which the company announced ten days ago. However Mr Scholes refused to answer questions saying that a detailed circular would be published in January.

Mr Wollenberg contrasted AFI's plans to buy in its shares with a recent comment by Mr Scholes that the company was too small to justify the management of its portfolio. Mr Scholes replied that the drawback of increased overheads would be weighed against potential gains if the company decided to buy its shares.

The questions and answers were universally sour prompting one shareholder to tell the protagonists not to behave like schoolboys. "It is supposed to be an adult meeting" she said.

Attwoods £3.8m buy in waste collection

Attwoods has agreed to acquire Taskmasters Cleaning Services, a south London-based company which operates a number of local authority waste collection contracts, for £3.79m.

An initial consideration of £2.25m is payable on completion and will be satisfied by the issue of 733,638 new ordinary shares.

In the fifteen months to March 31 last Taskmasters achieved pre-tax profits of £29,919 for the six months to September 30 compared with £28,745 previously.

The directors anticipated that the dividend for the year to March 31 1990 would be at least maintained at last year's 15.15p.

Turnover rose from £340,441 to £383,919, and after tax of £7,479 (£6,685) earnings per ordinary stock unit were 7.51p (6.72p).

German bid at minimum £8.3m likely for Carron

By Clay Harris

CARRON Phoenix, the Falkirk based sink manufacturer, is in discussions with Franke Holding of Germany.

Just over a week ago Carron announced a possible £8.3m takeover by the privately owned French company Groupe Bene. The following day it said that another potential bidder had appeared on the scene.

Yesterday Carron said that pending the outcome of the talks with Franke shareholders were advised to take no action over the Bene offer.

It was said that the offer by Franke will not less than the 60p per share made by Bene. Carron has already acquired 6.4 per cent of Carron's issued capital at prices up to 75p per share and under the rules of the City Code of Takeovers and Mergers, any competing offer by Franke would have to be made at a minimum price of 75p per share, or a total of £8.3m.

SHARE STAKES

There is currently £10.5m of the loan stock outstanding. KLEINWORT BENSON: Fuji Bank has completed the purchase from KB of the remaining 75.1 per cent shareholding in Kleinwort Benson Government Securities, a Chicago-based primary dealer in US government securities. Purchase price for the balance of the shareholding is about £544m (£27m). The name of Kleinwort Benson Government Securities has been changed to Fuji Securities.

MEEGER CLEARANCES - the following acquisitions are not being referred to the Monopolies Commission: Scandinavian Investments of Scandinavian Bank Group, Deutsche Bank of Morgan Grenfell Group, Groupe Bull of Zenith Electronic Corporation, King Black and Associates Partners LP of Monotype Corporation, Radio Boardland (Holdings) of Suffolk Group Radio.

WALTEK HOLDINGS has acquired Independent Security Products, of Ontario, for a maximum £51m (£29,100). Rmciman has also acquired 7.5 per cent of the issued 'B' shares of Chairman Group for £200,000 to be satisfied by the issue of 113,122 ordinary shares.

SEVERFIELD-BEEVE has acquired AA Steel Erection, and A&A Fabrications for £942,238 in shares and has also acquired a 50 per cent shareholding in the businesses are carried out at Hackworth Industrial Park, Shildon, Co Durham, for £100,000.

WINDSOR has acquired a 75 per cent stake in Commercial Holdings by the issue of 3,600 ordinary £1 shares at £10 per share. Windsor will be entitled to acquire the remaining 25 per cent in 1993.

Rudolf (40,000) and S Rudolf (5,000) are existing holdings who have joined the specialist holding consortium party. High Point: CJ Moran now holds 237,500 shares in company (5.82 per cent). Inchange: Robert Fleming group holds 5.5 per cent of the ordinary capital.

Isabel D Gray director, has acquired 150,000 ordinary at 2p per share. Total holding is now 426,868 beneficial (8.4 per cent).

Ivory and Stone Coligny Holdings has acquired 25,000 ordinary, bringing its holding to 2,225,700 per cent.

Martha Cecilia Pacific Trust: RTZ Pensions interested in 603,000 ordinary (4.99 per cent).

NS&I: Derek William Bankston has acquired 63,995 ordinary (0.04 per cent) lifting total stake to 3,956 (5.17 per cent).

Omantech: Mr Michael Barker, director, has disposed of 159,000 ordinary, leaving his holding at 5.2m (38.29 per cent).

Radio Clyde: Throgmorton 255,500 ordinary (2.13 per cent) bringing its holding to 766,800 (5.5 per cent).

Forwell Group: NIB James, a director, has acquired 7,500 ordinary, bringing his total holding to 1.55m (12.53 per cent). Another director, M.L. Wheeler, has acquired 1,769 ordinary bringing his total holding to 6,949,189 ordinary (46.38 per cent).

Freemore Estates: Martheath Securities has acquired 50,000 ordinary bringing its resultant total holding of voting rights to 9,573,231 (24 per cent). Jonnet Pty acts in agreement with Freemore Estates.

Grand Central Investment: Ishwar Nabappan acquired 120,000 shares at between 44p and 45p each; total holding now 11.6m (32.29 per cent).

Halls Homes and Gardens: NIB UE Equity Trust acquired 255,500 ordinary (2.13 per cent) bringing its holding to 766,800 (5.5 per cent).

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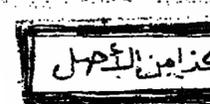
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MARKET STATISTICS

ECONOMIC DIARY

TODAY: TOMORROW: Sports personalities attend launch of Duke of Edinburgh's Award scheme. Ritz Club, Piccadilly. MONDAY: New Year's Day - Public holiday, UK and Republic of Ireland. Cabinet papers for 1990 published. Mr Charles Haughey, Irish Prime Minister, makes statement on Ireland's assumption of European Community presidency. Mr David Dinkins inaugurated as Mayor of New York. TUESDAY: Bank Holiday - Scotland. Age Concern Golden Jubilee luncheon, Olivier Theatre, London. Mr Paul McCartney starts UK tour. NEC, Birmingham. Mr John Gummer, Agriculture Minister, speaks at Oxford Farming Conference dinner. WEDNESDAY: National Economic Development Council statement on electronic traffic management. Treasury publishes details of UK official reserves for December. November figures from the Bank of England. London International Boat Show opens. Earl's Court (until January 14). Health and Safety Executive demonstration on transport of liquid propane gas at HSE Buxton Laboratory. Elderly Consumers in Britain report published. FRIDAY: Woman Driver of the Year competition launched.

BANK RETURN

Table showing Banking Department return for Wednesday December 27th 1989. Includes liabilities (Capital, Public Deposits, Bankers Deposits, Reserves and other Accounts) and assets (Government Securities, Advances and other assets, Premises Equipment & other assets, Notes, Coin).

EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange data for various series (Gold, Silver, etc.) with columns for Bid, Ask, Last, and other market indicators.

FT-ACTUARIES SHARE INDICES

Table showing FT-Actuaries Share Indices for various equity groups and sub-sections as of Friday December 29, 1989. Includes indices for Capital Goods, Building Materials, Contracting, etc.

LONDON RECENT ISSUES

Table listing London recent issues, including company names, issue sizes, and dates.

FIXED INTEREST

Table showing Fixed Interest rates for various instruments like British Government bonds, Treasury bills, etc.

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RIGHTS OFFERS

Table listing rights offers for various companies, including company names, issue sizes, and dates.

MONTHLY AVERAGES OF STOCK INDICES

Table showing monthly averages of stock indices for December, November, October, and September, including indices for Financial Times, Government Securities, etc.

Advertisement for 'A GUIDE TO FINANCIAL TIMES STATISTICS' by Sir Geoffrey Owen. Includes text about the guide's content and contact information.

Advertisement for Tulip Computers featuring a large image of a computer monitor and text: 'You can either talk big. Or think big.' Includes details about Tulip's products and contact information.

Advertisement for 'QATAR' by the Financial Times, proposing a survey on floating rate notes due 1996. Includes contact details for Mrs Laurette Lecomte-Peacock.

Advertisement for 'ORDER FORM' for 'A Guide to FT Statistics' by Sir Geoffrey Owen. Includes a form for ordering the book.

Advertisement for 'Tulip computers' with the slogan 'The name for European quality.' Includes details about Tulip's products and contact information.

INTERNATIONAL COMPANIES AND FINANCE

De Benedetti tightens grip on Mondadori

By John Wyles in Rome

MONDADORI, Italy's largest publishing group, has been left rudderless by recent legal judgments which may prevent both Mr Carlo De Benedetti and Mr Silvio Berlusconi from winning clear control of the company in the next few months.

Although the sides are careful not to rule out a negotiated settlement, each still appears to believe there are advantages in the legal roundabout.

In the meantime however, Mr De Benedetti is still determined to strengthen his hold on the group's ordinary capital. Late on Thursday he announced the purchase of two separate share packages which will lift his stake from about 17.4 per cent to 21.5 per cent.

The Italian businessman is thought to have paid about 1,000bn (\$79m) for his latest acquisitions, which give him personal control of about 43 per cent of Mondadori's capital.

So far the Milan courts have provided both Messrs De Benedetti and Berlusconi with small victories. Just before Christmas one judge ruled the De Benedetti-dominated Mondadori board was no longer properly constituted and that a decision to call a special shareholders' meeting on January 26 should be set aside.

Within 24 hours a second judge confirmed the legal

validity of a document signed a year ago by the Formenton family promising to sell their 25.7 per cent of the Amef holding company to Mr De Benedetti at the end of January 1991. The judge sequestered the Formenton holding, together with about 25 per cent of Mondadori's privileged shares owned by Mr De Benedetti.

Amef controls 50.3 per cent of Mondadori's ordinary stock and it was the Formenton family's decision to abandon its Amef alliance with Mr De Benedetti in favour of one with Mr Berlusconi, an Italian media magnate, and two members of the Formenton family which triggered the battle for control of the publishing group in December.

The sequestration leaves no obvious majority in control of Amef, and therefore of Mondadori. The Formenton stock is in the hands of a custodian who must vote according to the instructions of a judge, who is unlikely to want to hand a clear victory to either side.

Mondadori's auditors' committee, meanwhile, has taken responsibility for calling an ordinary shareholders' meeting on January 25. It was still discussing late last night requests from both the De Benedetti and Berlusconi camps for a special shareholders' meeting.

Gemina settles row over NBA holdings

By John Wyles

GEMINA, the Fiat-dominated financial holding company, has saved face in a crucial shareholders' agreement yesterday which will admit both Credit Agricole of France and Generali, Italy's largest insurer, into the shareholding of Nuovo Banco Ambrosiano (NBA).

The settlement of the embarrassing shareholder squabble is timely for NBA, which tomorrow becomes Italy's largest private sector bank when it merges with Banca Cattolica del Veneto.

The final agreement demonstrates the potency of rumour in Italian business; it requires Generali to give an assurance that it is not part of any plan to engineer a merger between NBA and Banca Commerciale Italiana, the state-owned bank.

A widespread conviction that Mr Enrico Cuccia, the honorary president of Mediobanca, Italy's leading merchant bank, was plotting such a

merger led to the unusual blackballing in October of Generali as a potential NBA shareholder. This was a slap in the face for Gemina, Generali's sponsor, and was deliberately planned to be so by the other shareholders - Credip, San Paolo di Brescia and three small Venetian banks.

These all favoured the sale of Banco Popolare di Milano's 33.3 per cent stake in NBA to Credit Agricole. Gemina's subsequent legal challenge and the need to rebuild the relationship between shareholders has now produced an agreement that both Credit Agricole and Generali will acquire at least 10 per cent, and not more than 12 per cent, of NBA and will be admitted to the controlling shareholders' pact - the pact of *sindeaci*.

The other four main shareholders - Gemina, the Venetian banks, Credip and San Paolo di Brescia - will also be subjected to these restrictions.

CBI to pay SFr800m for stake in new bank

By William Dullforce in Geneva

COMPAGNIE DE Banque et d'Investissements (CBI), the Swiss private bank, said yesterday it was paying SFr800m (\$523m) for an 80 per cent stake in the new bank to be created from its merger with TDB American Express, the Geneva-based subsidiary of the US financial services group.

American Express had said earlier it would collect \$1bn from the deal, signed in New York and announced after the closure of the stock exchange on Thursday. The difference is only partly explained by the undisclosed price American Express is paying for the 20 per cent equity stake it will retain in the merged bank.

American Express is also cashing in part of TDB American Express's reserves under a capital restructuring of the subsidiary, which will be completed before the sale.

Under the complicated transaction TDB American Express, the biggest foreign-owned bank in Switzerland, will initially buy CBI in a second stage CBI Holding, a new company with exactly the same shareholders as CBI, will buy 90 per cent of the merged bank.

The bank will not include TDB American Express's London branch or the Luxembourg subsidiary, which has been operating directly under American Express's head office in New York. The London branch will close next March.

CBI said its shareholders were raising the SFr800m investment from their own resources.

At the end of 1988 CBI disclosed shareholder equity of SFr134m, although reports of Swiss private banks usually hide considerable reserves. Société Financière de Genève (Sofigen), the Geneva-based investment services company controlled by Mr Carlo De Benedetti, the Italian industrialist and financier, will contribute no more than the equivalent of its current 9.6 per cent stake in CBI.

Steering a Hillman down fast lane to ruin

It is a short walk from my office to the portals of Banco Syndicato Sympathico. I stand at the impressive doors for a moment, trying to conceal my awe and excitement. Then I'm through the entrance and committed.

So this is it, the room where some of the market's most influential players make their decisions and plot their moves. The welcome is warm. A grim-faced minion escorts me to the managing director's office and I am introduced.

"Hi, I'm Bond, Junk Bond. My friends call me Bearer." I murmur my respects. "We want you to feel completely relaxed. Go anywhere, speak to anyone, so long as it's all off the record. Just remember, anything you say can and will be used in evidence against you. Have a nice day."

Back on the floor the syndicate managers have already finished their daily background chat. They show me to a desk. It has a monitor and a telephone. They are waiting for a complicated deal with a multi-leg swap attached. I can listen, but am not expected to contribute.

Snippets of conversation drift over: "If we throw in 10 basis points on the floating yen leg... buy up the existing leg... twist their arms a little... squeeze until it hurts... all the way to the bank."

Then a sudden shout: "OK, let's go everyone, we are dealing." At this point the head of syndicate, Kass Obligation, steps up to a microphone to announce terms to the sales force. "We have the mandate for a Woz200bn five-year deal for the Bank of Industrial Reconstruction and Perfection (BIRP). The structure is complicated, so I expect you all to help investors understand things, know what I mean?"

The head of sales, Reg early this year, Eastern had 32,000 employees and 1,100 daily flights. Eastern also cited higher fuel prices and an expected slowdown in airline travel as reasons for the latest cuts.

Mr Phil Bakes, president and chief executive, said he expected big losses during the first half of next year but that the forecast steadily improving results. Eastern, which is operating under protection of Chapter 11 of the Federal Bankruptcy code, has not yet come up with a reorganisation plan which satisfies all its creditors.

Delta Airlines will begin its new international service between Atlanta and Amsterdam and between Orlando/Cincinnati and Paris on July 1, Reuter reports.

Andrew Freeman makes a seasonal visit to the new-issue desk of Banco Syndicato Sympathico, one of the Euromarket's leading underwriting houses, and finds things are more complicated than they seem

"Deal" Rampling, nods vigorously, smiling strangely into his polystyrene coffee cup. Kass continues: "Basically it's a straight bond, with a double whammy attached. There's a three-year call option exercisable if the won-yen five-year swap rate moves below 95/98, or if the Stockholm equity market falls by more than 15 per cent from this morning's opening level."

"Then there's a redemption option giving the borrower the right to repay investors with El Salvador government certificates - that could be tricky, so we'll call them sovereign securities. Any questions?"

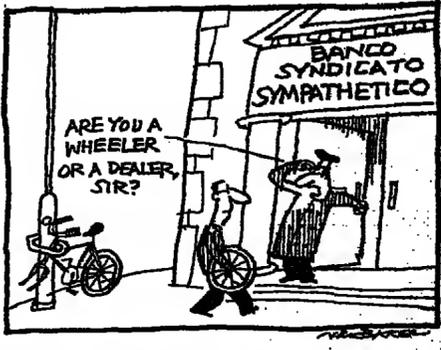
A trader puts up her hand. "Kass, what's the fee structure?" "Thanks Dee. Did everyone hear Miss Faul's question? It's the usual five-year fee, plus a point for the redemption option. Oh, and good news, our expense cap on this one is Woz2bn and we can take out another WozYbn because we're outside IMA on the stabilisation."

Kass goes back to the bonds. "OK, we've got a put and a call. Now here's the tricky bit. We've juggled with the algorithms and come up with a new variation on the Ferrari structure. We're calling it a Lotus - Lock-out Taplet Unmatched Security. We tried Aston Martin, but it was too long!"

By this time the sales staff are tiring to go, straining at the leash. I sit amazed as they begin madly telephoning their clients.

A junior on the syndicate team, Belle Wether, approaches me: "We're going into syndication now, so we'll be very busy. You can listen in on line three. Just press the intercept button on your phone."

"Fine," I reply as she retreats to her fax machine to send out invitations. Around me there is a whirl of activity. Before I can move the phone rings. Hesitantly, I answer. "Banco SS, can I help? I will be a BSU voice says: 'Yeah, Bank of Sure Developments



take any more calls. This passes slowly. Suddenly total quiet descends on the dining room. A hand grabs my shoulder and swirls my chair around. I'm facing a red-headed Reg, with a bull-like Bearer behind him.

"Congratulations, kid," says Reg tersely. "First you sell 10 per cent of our deal for \$300,000. That's a fraction of its real price. Then you sell another seven chunks, all at a fraction of their worth."

"You've lost us all our profits on the deal, and given BSI and our rivals the biggest Christmas present ever. Try putting that in your report for tomorrow's paper. I want you out of the building faster than a floating-rate note."

Bond is carrying my coat and umbrella. Ash-faced and speechless, I take the hint and stand up. My legs feel like jelly. They seem the past rows of curious faces. By now everyone knows what has happened. As we pass the research desk, a young man stands up. "Mr Bond," he calls urgently. "I've just thought of something. The interest rate differential between Sweden and El Salvador has just tumbled in the last 10 minutes. If we take out counter-options on the El Salvador position, and unlock the exhaust pipe on the Lotus, we could drive right away from this deal and make a handsome profit. These cheap sales were a blessing in disguise. I'm sorry, but I can't help it. Why didn't you think of that?" he barks at Reg.

Suddenly I am forgotten. Activity begins again, the trading staff are briefed and the phone calls are constant. I sink out, glad to be able to make a quiet exit.

Back at the office I ponder on my day at BSI. The phone rings. Cautiously I answer. "About your advert for the Hillman Imp..." says an unknown voice. I hang up.

Eastern Air to axe staff in \$100m savings drive

By Karen Zagor in New York

EASTERN Air Lines, part of Mr Frank Lorenzo's troubled Texas Air empire, will lay off nearly 600 of its 20,000 employees, reduce employee benefits and impose temporary pay cuts on about half the remaining workforce in an attempt to save about \$100m next year.

The Miami-based airline said the move was partly a result of the planned \$348m sale of its Latin American routes to American Airlines.

However, the Department of Transportation has not yet approved the sale and Pan Am, a rival airline, has said it will ask regulators to block the deal on anti-competitive grounds.

The cuts at Eastern are also in line with its decision to operate at two-thirds of its pre-strike size. Before the strike

Regulators back KIO offer for Grupo Torras

By Paul Abrahams

SPAIN'S Securities Commission has approved a bid by Kuwait Investment Office (KIO) for all the shares in Grupo Torras, the food and paper company, it does not already own, Reuter reports.

KIO, which already owns nearly 40 per cent of Grupo Torras through a Dutch-registered holding company, launched its bid on Wednesday. A commission spokesman said Torras shareholders would be offered a mixture of cash and shares in Prima Inmobiliaria, a Madrid-based property company controlled by the KIO.

KIO is making the offer through two Dutch-registered holding companies, Koolmees Holding and Koolmees Holding. Koolmees holds KIO's 39.7 stake in Torras.

Bossard boosts European profile with Swedish deal

By Paul Abrahams

BOSSARD Consultants, the third largest French independent consultancy group, has signed an agreement to acquire Star, the Stockholm-based strategy consultancy.

The French group has taken a 20 per cent stake in the Swedish company and expects to complete the deal by the end of next year. Bossard declined to disclose the price.

It said the agreement formed part of its strategy to form a European network of consultancies to meet the increasingly international demands of clients. Five or six of Star's principal directors are to join the partnership.

Star has offices in several European countries, including the UK, West Germany, Italy and Scandinavia. Bossard said the offices in West Germany and the UK were of particular interest. The West German consultancy market has proved particularly difficult to penetrate.

WORLD COMMODITIES PRICES

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week, Year ago, High 1989, Low 1989. Rows include Gold, Silver, Copper, Nickel, Zinc, Tin, Cocoa, Coffee, Wheat, Cotton, Wool, Rubber, etc.

Table with columns: SPOT MARKETS, Crude oil (per barrel FOB), Dabul, Brent Blend, WTI, etc.

Table with columns: SOYABEAN MEAL - BSE, Close, Previous, High/Low, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, etc.

Table with columns: LONDON METAL EXCHANGE, Close, Previous, High/Low, AM Official, etc.

Table with columns: SOYABEAN MEAL - BSE, Close, Previous, High/Low, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, etc.

Table with columns: NEW YORK, GOLD 100 Troy oz, Silver, etc.

Table with columns: NEW YORK, SILVER 100 Troy oz, etc.

Table with columns: NEW YORK, HIGH GRADE COPPER, etc.

Table with columns: NEW YORK, CRUDE OIL, etc.

Table with columns: NEW YORK, SOYABEAN MEAL, etc.

Table with columns: WHEAT 5,000 bu, etc.

HEALTH CARE The Financial Times proposes to publish this survey on: 26 JANUARY 1990 For a full editorial synopsis and advertisement details, please contact: DENIS CODY on 01-873 3301 or write to him at: Number One Southwick Bridge London SE1 9HL

WORLD STOCK MARKETS

US MARKETS (3pm)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

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NEW YORK

Table of New York stock market data including DOW JONES and various indices.

INDICES

Table of various stock market indices including DOW JONES, S&P 500, and others.

NEW YORK ACTIVE STOCKS

Table of active stock data from New York including volume and price changes.

TRADING ACTIVITY

Table of trading activity data including volume and price changes for various stocks.

CANADA

Table of Canadian stock market data including DOW JONES and various indices.

THAILAND

Table of Thai stock market data including DOW JONES and various indices.

MONTREAL

Table of Montreal stock market data including DOW JONES and various indices.

WORLD

Table of world stock market data including DOW JONES and various indices.

BASE VALUES

Table of base values for various stock indices.

NOTES

Notes and footnotes regarding the data presented in the tables.

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WORLD STOCK MARKETS

Facts and figures of the decade to keep the prediction seekers at bay

QUESTION: which established equity market rose by more than 20,000 per cent during the 1980s? Answer: Mexico.

QUESTION: Which established equity market produced the poorest sterling returns over the decade? Answer: Mexico.

Anything to divert attention. Anything which will stave off the necessity of making predictions - particularly predictions concerning the next decade.

the performance gap has been considerable.

But the UK investor can have few grounds for complaint. The sterling total return numbers to the end of November 1989 show that Japan has

Adrian FitzGerald proffers a salutary reminder of the remarkable effect that currency movements can have on returns

been far and away the most lucrative of the major markets during the decade. Sterling returns from Japan have averaged a massive 32.4 per cent at an annualised rate compared with returns of 23.3 per cent from the UK (see chart).

Not that the UK market itself has been such a dull performer. In fact, UK returns have outstripped those of Japan in local currency terms. But it's that exchange rate effect. Sterling has depreciated

by 55 per cent against the yen over the decade.

The US market, the traditional stomping ground for UK institutions at the start of the decade, has not been quite so rewarding. Sterling returns

have averaged 21.6 per cent, again boosted by exchange rate movements.

The smaller markets have been the most rewarding within continental Europe, over the second half of the decade, thus complicating further the conundrum posed at the start of this article.

formance figures are interesting, they provide few pointers to performance over the next decade. Indeed, as the 1980s draw to a close, it is tempting to conclude that the pattern of market forces is reversing, and not just because of recent underperformance in Japan.

Question: which European market was the worst performer during the period 1980 to 1989? Answer: Austria. Question: which European market has been the outstanding performer during 1989? Answer: Austria.

And then there's Mexico. In 1989, Mexico has turned in a remarkable performance, even in sterling terms. As a result, Mexico shows up among the established markets as providing the best sterling returns over the second half of the decade, thus complicating further the conundrum posed at the start of this article.

formance in 1989 have been the relatively lacklustre performance of the Japanese market, the depreciation of sterling against most currencies, and the appreciation of the dollar, particularly against the yen.

UK-based investors have had a good year, even though their domestic market has yet to climb back to 1987 pre-crash levels. The UK market has given a return of 36.1 per cent, while the World ex-UK has provided a sterling return of 31.2 per cent. The latter figure requires closer examination however.

Within that total, 45.5 per cent has come from the US, 49.0 per cent from continental Europe and just 16.2 per cent from Japan. In fact, Japan has provided the poorest sterling returns of all the constituent markets in the FT-Actuaries World Index series.

regrets may be felt by those fund managers who argued successfully for a lower Japanese weighting in their benchmark index, against which their own performance is measured. While the US market has provided a return of 29.8 per cent, Japan has provided a mere 3.7 per cent in dollar terms. Dollar total returns from the Euro-Pacific index, the overseas benchmark for US-based investors, have been just 11.3 per cent.

Will the new decade at last see the flood of Japanese money into overseas equity markets? Certainly, 1989 will have given Japanese investors food for thought. Compared with a return of 18.8 per cent from their own market, overseas markets have provided a year return of 17.9 per cent.

The end of the 1980s has also borne witness to significant pattern changes within markets, not least in the UK. As many fund managers know to their cost this year, small is no longer necessarily beautiful. Stocks outside the FT-SE index

Annualised Sterling Returns in the 1980's

Table with 2 columns: Country, Percentage. Japan 32.4, Sweden 30.9, Spain 30.4, Belgium 27.5, Italy 25.5, Netherlands 25.4, UK 23.3, Denmark 23.1, France 22.9, Norway 22.5.

Source: CANN International Market Features Figures calculated to end-Nov. 1989

formance, all of it in the second half. In the five months since July, the FTSE second section has outperformed the Topix index by 16.5 per cent.

Yes, something new is stirring in the world's financial markets. New markets are coming to the fore; new patterns are emerging within markets. Quantitative market analysts are, at this very moment, analysing these changes and formulating their predictions for the next decade.

It is just unfortunate that lack of space prevents the inclusion of any such predictions in this particular article.

Adrian FitzGerald is director of quantitative research at County NatWest Wood Giff. Total return figures for 1989 relate to the relevant indices in the FT-Actuaries World Index series. Figures are calculated to December 23, 1989.

AMERICA

Dow rises on position-squaring

Wall Street

A SPRINKLING of year-end buying pushed prices modestly higher on Wall Street yesterday morning, but most investors stayed on the sidelines before the new year holiday weekend, writes Anatole Kholitsky in New York.

The Dow Jones Industrial Average opened higher, building on the 7.90-point advance registered on Thursday, but there was precious little to motivate investors and prices drifted within a narrow range.

By 1.30 pm the Dow was 12.27 up at 2,744.67, which would leave it 26.6 per cent higher over the year.

Although the trading volume of 86m shares suggested reasonably strong activity for a holiday period, traders reported that most of the business was year-end position-squaring, with little genuine investment demand. Gains outnumbered losses by four to

three, but this figure was not considered significant because of year-end considerations.

Unlike the day before the Christmas weekend, when sharp movements in the bond market made up for the lassitude in equities, yesterday proved a quiet time for fixed-income investors as well. The 0.1 percentage point advance in the November index of leading indicators was very close to expectations and had no impact on the market.

However, the generally negative sentiment in the bond market which had prevailed throughout the holiday period continued to bear down on prices. By lunchtime, the Treasury's benchmark long bond was down 1/4 at 101 1/4, a price that yielded 7.97 per cent.

Federal Funds traded at 8 per cent, but this level was distorted by year-end settlements.

Most blue chip equities traded within a few ticks of their overnight levels. AT&T was the busiest issue, gaining

3/4 to 84 1/2. IBM also advanced 3/4 to 204 1/2, while Coca-Cola rose 1/4 to 57 and Philip Morris was up 1/4 at 54 1/4.

The only special situation of note was in the oil service sector, where Dresser Industries announced the cancellation of its agreed takeover of Smith International. The statement was issued on Thursday night and both companies' shares fell yesterday. Dresser declined 1 1/4 to 34 1/4, while Smith fell 1/2 to 12 1/4 in busy trading.

There was also active trading in issues which had important corporate developments earlier in the week. American Express gained a further 3/4 to 34 1/4, in a second-day response to Thursday's announcement that it was selling its Swiss banking unit. Campbell Soup advanced 3/4 to 85 1/4, on reports of a takeover after reports that members of the Dorrance family were seeking to liquidate some of their holdings.

A modest recovery in gold prices was good for the mining

sector, where Homestake Mining rose 1/4 to 81 1/4.

Canada

LARGE stocks saw some action in Toronto by mid-session, but trading was mostly very light. The composite index firmed 15.5 to 3,947.7, which would give it a gain over the year of 16.5 per cent, on volume of 12.7m shares. Advances outpaced declines by 243 to 145.

Campbell gained 10 cents to C\$30 after falling for the previous two days on financing fears. Campesano's two US department store chains have until tomorrow to prove to Citibank they are solvent.

SOUTH AFRICA

A QUIET half-day session left Johannesburg stocks barely changed. Gold shares eased as the bullion price showed little life, but other minings rose.

EUROPE

Scandinavia shines at close of year

THE YEAR ended with some strong performance in Scandinavia and subdued trading in the larger bourses. Germany, Switzerland, Austria and Belgium were closed, writes Our Markets Staff.

OSLO closed in buoyant style, rising in active trading. The all-share index ended at 527.49, up 7.04 points on the day and 54.4 per cent higher on the year. Turnover was Nkr653m, compared with Thursday's Nkr349m.

Norsk Hydro rose Nkr2.5 to Nkr167.5 after buying a stake of about 9 per cent in Saga Petroleum, up Nkr1 at Nkr65, from Den Norske Creditbank, also Nkr1 higher at Nkr61.

COPENHAGEN finished at a record, with the bourse index ending at 239. The Copenhagen index reached a previous peak of 260.93 reached on December 7. The index advanced 33.6 per cent during the year. Among the few active stocks was Baltica Insurance, which gained DKr150, or 5.7 per cent, to DKr2,600.

STOCKHOLM rose as institutions bought the value of their portfolios by the end of the year. The Affarsvarden General Index added 7.1 to 1,262.0, taking its yearly gain

of higher interest rates. AMSTERDAM suffered computer problems which disrupted and curtailed trading. At the close of the 45-minute session, the CBS tendency index was up 0.8 at 183.8, while the CBS general index closed 1.5 higher at 202.8, a year's rise of 22 per cent.

Alzko, the chemical group, benefited from the lack of sellers as buying orders pushed it up F13.90 to F141.50. Royal Dutch more than recovered Thursday's F1.40 loss with a rise of F1.20 to F146.30.

MILAN ended mixed as insurance issues backtracked after gains earlier in the week. The Comit index eased 0.14 points to 687.44, for a rise over the year of 16.5 per cent.

PUBLISHING group Mondadori's ordinary and preferred shares were suspended, after the bourse was unable to set closing prices on Thursday. MADRID finished a lacklustre year on a weak note, with the general index off 0.33 at 296.83, leaving it a meagre 8 per cent higher in 1989.

Torras started trading again after the news of the bid from the Kuwait Investment Office, and rose Pta60 to Pta1,580.

ASIA PACIFIC

Nikkei scales fourth peak in a row

Tokyo

OVERCOMING concerns about the yen's weakness, the Japanese market closed the year with a flourish, with share prices marking a fourth consecutive high in a half-day session, writes Michio Nakamoto in Tokyo.

The Nikkei average finished with a moderate gain of 38.93 points which took it to a record of 38,915.87, giving a rise of 29 per cent this year. The day's high was 38,957.44 while the low was 38,871.71.

Advances at 511 easily outnumbered declines at 385 while 210 issues were unchanged. Turnover reached 473m shares, compared with volume for the full session on Thursday of 668m. The Topix index of all listed shares advanced 11.85 to 2,881.9, while the S&P/Nikkei 50 index in London slipped 0.91 to 2,152.82.

Buying in arbitrage with the futures contract injected the usual bullish expectancy into the market, but the yen's weakness overseas encouraged caution. For the past few days, investors have been looking less at the past market than at the market to come. Uncertainty about the theme in the new year has kept activity subdued except in areas where there is unequivocal enthusiasm.

World trade was one such theme and it dominated the market yesterday, with the big trading houses filling eight out of the top 10 volume slots. Marubeni topped the list with 40.3m shares and climbed Y70 to Y1,170; the company has been the most popular issue for trade with communist countries, partly because of its experience with the Soviet Union. Last year Marubeni's sales to the Soviet Union rose 36 per cent, according to SBCI Securities (Asia).

C Huh followed with 27.6m shares and a hefty increase of Y250 to a high of Y7,300. Nikeidai was third in volume with 16.6m shares and firmed Y60 to Y1,240. Investors expected trading companies to be market leaders in the new year, while dealers hoped that interest in them could spill over to other large capitalisation issues, analysts said.

Among other heavily capitalised issues, however, steals were generally neglected: Sumitomo Metal Industries and Kobe Steel appeared among the most active stocks but performed sluggishly. Sumitomo lost Y6 to Y87. Kobe Steel closed unchanged at Y810. With interest rates high, there were few incentives for buying steels.

In Osaka, the OSX average gained 32.62 to 39,396.46. Volume, at 56.4m shares, was fairly high for a half-day, after Thursday's 60.7m.

Roundup

ASIA PACIFIC markets ended 1989 in very varied shape, with Malaysia and Singapore in peak form while Hong Kong and Australia looked a little sorry for themselves.

HONG KONG was overcome by profit-taking and fears that fresh student unrest would emerge in Peking in the new year holiday. The Hang Seng index dropped 53.96 points, or 2 per cent, to 2,936.57, leaving it only 5.5 per cent firmer over the year. Volume was relatively high at HK\$940m, up from HK\$692m on Thursday.

Hongkong Telecom fell 15 cents to HK\$30, giving a two-day loss of 5.4 per cent. AUSTRALIA was steady

after a curtailed trading day, the All Ordinaries index closing 0.2 higher at 1,649.0 to give a year's gain of 10.9 per cent. Volume of 11m shares worth A\$214m was swelled by options-related trading.

Bond Corp was suspended as National Australia Bank, representing a syndicate of banks, applied successfully to the Victoria Supreme Court for a receiver-manager to be appointed for Bond's brewing companies.

SINGAPORE edged lower on a mixture of profit-taking and sympathy for the nervousness in Hong Kong. The Straits Times Industrial index slipped 3.14 to 1,481.33, leaving it 43 per cent higher this year, in busy trading of 126m shares worth S\$172m, up from Thursday's 109m shares worth S\$155m.

KUALA LUMPUR closed with a year's gain of 57 per cent as the composite index eased 2.37 to 662.28.

MANILA ended virtually unchanged after a cautious session following a recent spate of coup rumours. The composite index was up 0.07 points at 1,104.57, a rise of 31 per cent this year.

NEW ZEALAND gained ground in a thin, half-day session. The Barclays index rose 6.07 to 1,994.46 for a year's advance of just 8.4 per cent.

APPOINTMENTS

Radio Authority post

Mr Richard Hooper, director of media and communications for PA Consulting Group, and a non-executive director of British Airways, has been appointed to the RADIO AUTHORITY.

Subject to Parliamentary approval of the Broadcasting Bill, Mr John Waddington, the Home Secretary, intends to establish the Radio Authority with its full statutory powers on January 1, 1991. It will be set up in shadow form from

Mr William J. Price has been appointed deputy managing director of the WILLIAMS LEE GROUP. He was managing director of M.B. Clarke (previously Metalbox Security Printing).

Mr Mark Coley, previously a director of ANZ McCaughey Securities, is joining the London office of ELY FUND MANAGERS on January 15.

Mr Peter Mackness and Mr Peter Radd have been appointed joint managing directors of PROPERLY PARTNERS (GROTELS), a wholly-owned subsidiary of Property Partnerships. They succeed Mr Christopher Binns who has left the company to join the Waverley Inns Group.

Mr Kevin Belsham has been appointed to the board of BEY & CROFT GROUP from January 2. He is marketing and sales director of the group's principal subsidiary.

Mr John Wittich has been appointed group financial controller of CITY CENTRE

director of SAMUEL MONTAGU & CO, part of Midland Montagu, investment banking arm of Midland Group.

Mr Philip Guy, who joined HILL SAMUEL BANK on November 1, will succeed Mr Peter Whitham as head of treasury on January 1. Mr Whitham will become treasury adviser to the chief executive, and will remain on the bank executive committee.

Mr Jeffrey Herbert has been appointed chief executive of CHARTER CONSOLIDATED. He was executive director of industry. Mr Charles Parker, business development manager, has been appointed to the board as commercial director. Both appointments are from January 1.

Mr Nick Fairlie has been appointed managing director of MAYFAIR LAND & DEVELOPMENT, which has been set up as part of the property arm of The Mabey Group, for the acquisition of investment properties, refurbishments and development opportunities.

Mr Fairlie was an investment partner with Grimley J.R. Eve, Birmingham.

HFC BANK has appointed as non-executive directors from January 1 Lady Sally Oppenheim-Barnes, former chairman of the National Consumer Council, Mr J. Dudley Fishburn, MP, former executive editor of "The Economist", and Mr Anthony Orton, executive director, Marks & Spencer.

Mr Tom Parker, formerly director of personnel at Sandwick, has joined BURSON-MARSTELLER as director human resources. He has previously worked in the personnel field with the Trafalgar House Group, the William Press Group, GEC and BICC.

Mr Richard D. Reader has been appointed head of business issues in the corporate affairs directorate at BRITISH GAS. He was HQ purchasing manager, national supplies, at Ina W. Taylor becomes business issues manager. He was in corporate planning at HQ, Mr Richard Cassidy is made business issues officer, from senior public relations officer. Mr Michael Pickering moves from public relations head, south western region, to public relations planning and



Mr Richard J.G. Hedley (above) has been appointed managing director of SA CHEMICALS, Gerrards Cross, headquarters of Alkali Chemicals. He was sales director, and joined the company in 1966. The company is part of British Alcan Aluminium.

information manager, HQ. Mr Martin Larkin has been appointed public relations operations manager. He was public relations head, southern region. Mrs Dorothy Smith becomes manager, external relations, in the government relations department. She was with the British Alcan Corporation. Mr Evelyn McDermott has been appointed parliamentary liaison officer. He was senior public relations officer at HQ.

Mr Robin Rogers, a managing director at RUSSELL REYNOLDS ASSOCIATES, LONDON, is moving to the company's Sydney, Australia, office in January.



GRANT LEISURE GROUP has appointed Mr Edmund Rowley-Williams, (above) head of its consulting division, as business development director from January 1. He is succeeded as director of the division by Mr Evelyn Thrilly, senior consultant.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns: NATIONAL AND REGIONAL MARKETS, THURSDAY DECEMBER 28 1989, WEDNESDAY DECEMBER 27 1989, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Italy, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, United Kingdom, USA, Europe, Nordie, Pacific Basin, Euro-Pacific, North America, Europe Ex. UK, Pacific Ex. Japan, World Ex. US, World Ex. UK, World Ex. So. Af., World Ex. Japan, World Index.

Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited. 1987. Lists were not available for this edition. Amendments to indices for December 28 applied to: Denmark, West Germany and the Regional indices.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done on the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange's Telford system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

† Bargains at special prices. ‡ Bargains done the previous day.

Corporation and County Stocks

Greater London Council 8 1/2% Deb 1992 - 237 1/2

UK Public Boards

Agricultural Mortgage Corp PLC 8 1/2% Deb 1990 - 234

Foreign Stocks, Bonds, etc.

Greenwich (London) 0 1/2% 1991 Aged with Acceptance - 237

Financial Trusts, Land, etc

Abacus Group PLC 7 1/2% Cum Red Prt 1991 - 237

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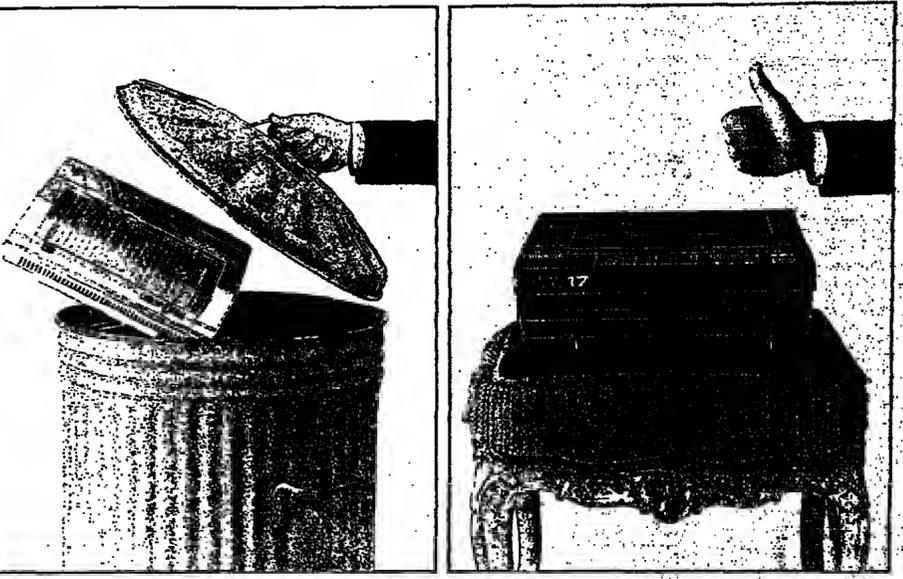
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IT TAKES ABOUT 3 MONTHS FOR MOST BUSINESSES TO REALISE THE TRUE VALUE OF THEIR FIRST FAX

Believe it or not, at least 70% of first time fax buyers choose on price alone. Within the first week they might begin to appreciate some of the drawbacks of "Cheap Fax".

HITACHI logo and a coupon form for requesting information on HitFax machines.

ELECTRONIC PAYMENT SYSTEMS

The Financial Times proposes to publish this survey on: 23rd January 1990. For a full editorial synopsis and advertisement details, please contact: Meyrick Simmonds on 01-873 4540.

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LONDON STOCK EXCHANGE

Trading year ends with a flourish

A MODEST reduction in the UK monthly trade deficit provided the London stock market with just the tonic needed yesterday to round off the Old Year. Equities rounded off a successful trading season with a final flurry which took the FT-SE 100 to within one and a half points of the year's high point of 2,426.

The FT-SE December futures contract ahead of its expiry at 11.30am. Some leading London securities trading houses were buying the futures contract with a view to holding it above 2,400 while positions were met.

At the final reading for 1989, the FT-SE index was 2,425.9 plants up 2,422.7. The index has risen by 35.1 per cent over the year, with the first and final quarters of the year bringing substantial rises which caught some fund managers unawares.

Sea's volume of 333.1m shares for the foreshortened trading session compared well with trading volumes earlier in the year, which were often highly disappointing.

Once again, the export line chips did well as investors assessed the implications for overseas earnings of the continued fall in sterling - yesterday's steadier tone in the pound was largely disregarded.

C and W under pressure

Cable and Wireless was the worst performer of the day among FT-SE 100 stocks. The shares were hurt by Far East influences, top of the list was the uncertainty engendered by China's tougher line on public demonstrations in Peking.

Yesterday at HK\$5.20. There were also stories of two US sellers of C and W stock in London. The shares ended 10 down at 54p having been as low as 54p.

The best performance of the day was by the FT-SE 100 index, which was up 17 to 2829 after at least one presentation to investors on Thursday which was said to have promised that analysts' profits forecasts were going to be met.

The environmental sector did well in anticipation of an energy green. Caird jumped 24 to 47p, Leigh Interests added 11 to 33p and Bechem climbed 20 to 65p in each two-way business.

Further consideration of interim losses revealed by Astra, the fireworks and munitions supplier, this week left the shares another 6 lower at 64p. They were trading at 88p on Wednesday.

was assessing Granada as a possible bid target, pushed the latter to 341p before they subsided to 339p, still 10 better on the day. Dealers were sceptical of the notion of a bid.

Continued demand squeezed shares higher as market makers reported first signs of two way institutional trading as some fund managers locked away 60 per cent gains for the year end.

last session of the old year its position of favour with investors. Insurances were strong as speculative buyers came into a market virtually emptied of shares ahead of the holiday.

The new year speculators were also buying the bank stocks again, although activity was selective. The sector has already enjoyed a significant advance on defensive buying.

Table with columns: FT-SE 100 Index, FT-Actuaries All-Share Index, and various market indices with their respective values and changes.

Table with columns: Country, Bond Name, Coupon, Maturity, Price, Change, Yield, and Week-end change.

Table with columns: Company Name, Share Price, and Change.

Table titled 'FINANCIAL TIMES STOCK INDICES' showing various indices like Government Bonds, FT-SE 100, and GILT EDGED ACTIVITY.

Table titled 'TRADING VOLUME IN MAJOR STOCKS' listing trading volumes for various companies like BHP, Anglo, and others.

Table titled 'NEW HIGHS AND LOWS FOR 1989' listing new high and low prices for various stocks.

Table titled 'RISES AND FALLS' showing the number of stocks that rose or fell on the day.

YEAR IN THE MARKETS

Gold, lead and oil buck the trend as most prices tumble

FOR MOST commodity producers 1989 has been a year of disappointment. Flagging economic activity knocked the stuffing out of abnormally high metals markets while a cold winter in the Americas and Europe removed the safety nets from coffee and cocoa prices.

There were brighter spots, however. Lead emerged from a winter of discontent (as mild weather depressed 1989-88 car battery demand) to reach 8-year highs in the autumn. Gold finally climbed back over the \$400 a troy ounce level in November, persuading most analysts that the long-term bear market was over.

Platinum's detachment from the trend in gold was still apparent at the start of the year and a continued advance lifted its price above \$550 an ounce in the spring. But its confidence appeared to evaporate and the price plunged to \$475.25 an ounce in June - a level one analyst described as "a screaming buy."

Coffee began the year with a performance that most traders would have considered scarcely possible. A few months before, the March robusta contract on the London Futures and Options Exchange (Fox) ended the first week of January at \$1,268 a tonne and the low of \$922 a tonne set in August 1988 seemed like a bad dream.

The London Metal Exchange's cash copper price began the year only 50p below the all-time high of \$2,000 a tonne reached less than a month earlier, but the outlook for demand was already looking less secure and stock levels were on an upward trend.

The zinc market was influenced by broadly similar factors to those affecting copper and lead. The LME cash price for high grade metal reached an all-time high of \$2,107.50 a tonne at the start of March. Peru is an even more important supplier of zinc (about 11 per cent of non-communist world supplies) than it is of copper (about 6 per cent) so the price of this metal was more sensitive to the labour unrest there.

After a depressed start, indicated by the mid-1988 winter, the market came to life at the beginning of April. And, ironically, it was the preceding winter's low battery sales that provided the impetus. Analysts explained that the low replacement rate meant reduced supplies available for recovery by the secondary lead industry.

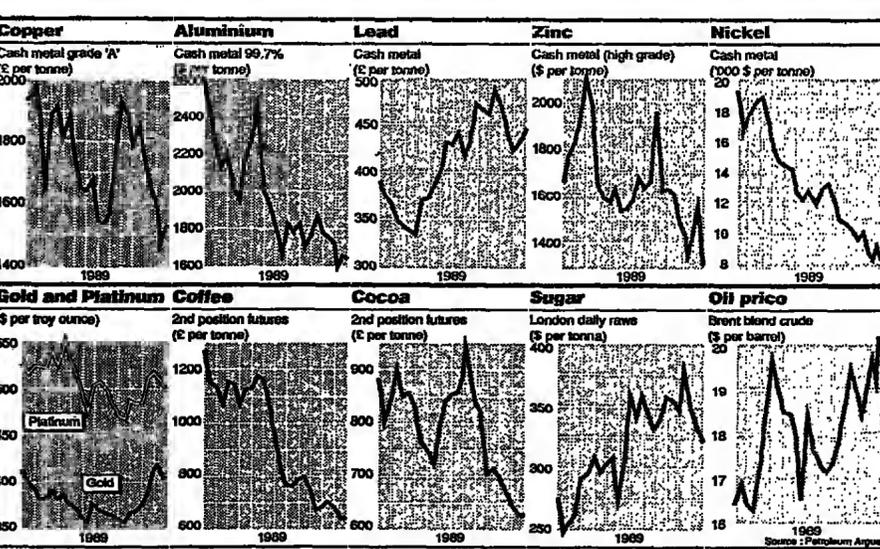
The year could scarcely have seen a more dramatic change. A price of \$222 a tonne on Fox now looks like an unattainable dream. The collapse of the International Coffee Agreement and the suspension of export quotas at the beginning of July heralded a free market and a plunge in prices to the lowest levels for 14 years.

The overall trend for the rest of the first half was downwards, although fresh rumblings from the Peruvian mining union brought a brief rally in April. But while LME stocks had wrapped up building to a two-year high of 135,650 tonnes a

new bull factor was developing in Papua New Guinea, where the 180,000 tonnes-a-year Bougainville copper mine was coming increasingly under attack from separatist rebels led by disaffected landowners who were (and still are) demanding heavy compensation for damage to their property.

Although stocks remained far from copious the bearish sentiment that had been underlying the market all year was now able to reassert itself and by mid-December the LME remains idle because of the continuing security problem. The third quarter of the year saw a catalogue of further copper supply disruptions in Canada, Mexico, the US, Peru and Chile which was accompanied by a sharp drawdown in stocks. And these factors combined to lift the LME cash price back to the year's peak in August. But then the supply problems began, one by one, to drop away, leaving only the Bougainville mine.

After a depressed start, indicated by the mid-1988 winter, the market came to life at the beginning of April. And, ironically, it was the preceding winter's low battery sales that provided the impetus. Analysts explained that the low replacement rate meant reduced supplies available for recovery by the secondary lead industry.



fees, which are in great demand compared with the coarser robusta, was the world's biggest producer, has tried everything possible to keep prices up, including an appeal direct to the London cocoa trade. As with its single-handed withholding scheme last year, some tactics have met with success - in August the second position contract on Fox reached a 12-month peak of \$367 a tonne and news that the Ivory Coast had nominated 500,000 tonnes of its 1989/90 crop to Philbro and Sweden, the big US and French trade houses.

Behind the erratic upward move over the year has been the tightness of world supplies. Last month Czarinkov, the London trade house, put consumption for 1989 at 109.5m tonnes, while production for 1989/90 is estimated at 106.4m tonnes. Czarinkov also pointed out that consumption was being constrained by the very fact that world stocks are low.

At the end of last month Opex reacted to government to raise its production ceiling by 1.5m barrels to 22m barrels a day. This was expected to weigh on crude prices even though it was generally regarded as irrelevant because Opex's members were already producing more than that.

However, to the rescue rode the cold weather in Europe and the US, which sharply lifted gas oil prices on London's International Petroleum Exchange. The second position contract rose to over \$200 a tonne - the highest position for four years.

David Blackwell and Richard Mooney

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cyteline. To obtain your free Unit Trust Code Booklet ring the FT Cyteline help desk on 01-425-2126

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the 'AUTHORISED UNIT TRUSTS' section, including names like 'Aberdeen Unit Trust Managers Ltd' and 'Aberdeen Global Fund'.

Table listing various unit trusts, including 'Aberdeen Global Fund', 'Aberdeen Income Fund', and 'Aberdeen Real Estate Fund'.

Table listing various unit trusts, including 'Aberdeen Real Estate Fund', 'Aberdeen Real Estate Income Fund', and 'Aberdeen Real Estate Income Plus'.

Table listing various unit trusts, including 'Aberdeen Real Estate Income Plus', 'Aberdeen Real Estate Income Plus II', and 'Aberdeen Real Estate Income Plus III'.

Table listing various unit trusts, including 'Aberdeen Real Estate Income Plus III', 'Aberdeen Real Estate Income Plus IV', and 'Aberdeen Real Estate Income Plus V'.

Table listing various unit trusts, including 'Aberdeen Real Estate Income Plus V', 'Aberdeen Real Estate Income Plus VI', and 'Aberdeen Real Estate Income Plus VII'.

Table listing various unit trusts, including 'Aberdeen Real Estate Income Plus VII', 'Aberdeen Real Estate Income Plus VIII', and 'Aberdeen Real Estate Income Plus IX'.

Table listing various unit trusts, including 'Aberdeen Real Estate Income Plus IX', 'Aberdeen Real Estate Income Plus X', and 'Aberdeen Real Estate Income Plus XI'.

GUIDE TO UNIT TRUST PRICING. This section provides detailed information on how unit trust prices are calculated, including the formula used and the role of the trustee.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2125

Main table containing unit trust information with columns for Unit Trust Name, Code, Price, and Change. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts with columns for Unit Trust Name, Code, Price, and Change.

INSURANCES

Table listing insurance companies and their unit trusts with columns for Unit Trust Name, Code, Price, and Change.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-425-3138

Main table containing unit trust information with columns for Name, Price, Offer, Yield, and other financial metrics. Includes sub-sections for 'OFFSHORE AND OVERSEAS' and 'GUERNSEY (GIB RECOGNISED)'.

Handwritten note in Arabic script: 'مركز ابحاث' (Research Center)

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

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LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % Change.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and road companies (continued) with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store companies with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies (continued) with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies (continued) with columns for Stock, Price, and % Change.

DRAPERY AND STORES - Contd

Table listing drapery and store companies (continued) with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store companies (continued) with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store companies (continued) with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store companies (continued) with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering companies (continued) with columns for Stock, Price, and % Change.

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Table listing engineering companies (continued) with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial companies (continued) with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.)

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INDUSTRIALS (Misc.)

Table listing industrial companies (continued) with columns for Stock, Price, and % Change.

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FINANCIAL TIMES

Weekend December 30/December 31 1989

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Havel elected Czechoslovak President

By A. H. Hermann in Prague

THE PLAYWRIGHT Vaclav Havel was elected President of Czechoslovakia yesterday — the country's first non-communist president since 1948. The new President had been jailed for five years for his human rights activities by the previous Communist regime.

The 523 members of the Federal Assembly, Czechoslovakia's national parliament, elected Mr Havel at a ceremonial session at Prague Castle. He was sworn in after being ushered to the dais by Mr Alexander Dubcek, who returned to public office as Assembly chairman on Thursday, two decades after his "Prague Spring" reform movement was crushed in 1968 by the Soviet-led invasion.

Mr Havel, addressing a jubilant crowd from the balcony of Prague Castle after the ceremony, made the shortest and probably the most memorable speech made from that place. The former dissident thanked the tens of thousands who packed into the castle courtyard for their support. He said: "I promise that I will not fail you and will take the country

to free elections. This will have to be achieved in a decent and peaceful manner, without soil- ing the clean face of our revolution."

The cheering crowd, waving blue, red and white national flags, chanted: "The Moment has Come!" and "Long Live the President!" as President Havel and his wife, Olga, stood on the balcony. Later in the cathedral, across the courtyard, Cardinal Tomasak, Archbishop of Prague, emphasised that the country needed security and the rule of law.

In contrast to the bloodbath in Romania, the lesson read from the pulpit was from St Paul to the Thessalonians: "Do not take revenge on your enemies."

The 14th century cathedral reverberated with the singing of a Te Deum, followed by the hymn invoking the protection by Wenceslas, the patron saint of the Czechs.

It was a remarkable day and most of the population watched the events on television.

The day had started with government members and the

presidential candidate arriving in an ordinary Prague bus — although one reserved exclusively for them — instead of the usual official limousines.

The election of President Havel was warmly proposed by Mr Marian Calta, the Communist Premier, in words appreciating Havel's merits as a person who had braved persecution and imprisonment. There was no other candidate, and the election by the Assembly, consisting of the Chamber of the People and the Chamber of the Nationalities, was unanimous.

Amid the general elation now sweeping the country, few are inclined to dwell on the fact that the same Assembly would have been unanimous in condemning the playwright only six weeks ago.

President Havel will visit East and West Germany next week. He will meet Mr Manfred Gerlach, East Germany's acting head of state, on Tuesday morning, and then go to Munich for talks with President Richard von Weizsacker of West Germany and Chancellor Helmut Kohl.



Victory salute: Vaclav Havel on the balcony of Prague Castle

A glimmer of hope for 1990

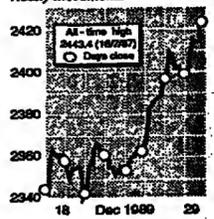
In this season of festive merriment, it was easy for the markets to get carried away with yesterday's trade figures. Bad as they were, they were better than expected and traders duly carried the FT-SE to within three points of its yearly high and 1 per cent of its all-time peak. The figures are as unpredictable as ever; erratic items contributed around two-thirds of the improvement over October and imagine how high base rates would have had to rise if July's deficit had actually been announced as £2.49bn, as the revisers now have it.

What was most cheering was confirmation that manufacturers are switching to overseas sales because UK demand has slipped. Export volumes were 7 per cent higher in the September-October period than in the previous three months, while import volumes fell 0.5 per cent over the same period. The prospects for a continuation of this improvement in 1990 are good, sterling is still falling, European demand is still strong and UK consumer spending is going to remain depressed for some time. But there must be doubts over the cosy equation of a 1990 soft landing followed by a 1991 production boom. Even a halved trade deficit of £10bn in 1990 would be a shaky foundation on which to reflate the economy and inflation is far from licked. Food prices are on an upward trend, wage rises are stubbornly high and the effects of a falling pound will eventually work through the system.

FT Index rose 20.4 to 1916.8

FT-SE 100 Index

Hourly movements



is over the worst, but it will be a couple of years at least before pre-tax profits are back to last year's depressed levels. Even if the bid is not referred to the Monopolies and Mergers Commission, Kingfisher is not going to win by its current offer. But it would need the emergence of a rival bidder from somewhere like the Far East, if Dixons was to be taken out above £2 per share.

same year Glaxo alone spent £370m, not including R&D of £30m. But forget the question of how much BR should be shelling out: just how will it fund its investment programme, such as it is? After all, BR's Government grant will fall from £575m in 1989-90, to £342m in 1990-91. One would assume BR expects property sales and external borrowings to fill the gap, as it struggles to pay for capital spending due to peak at £95m three years from now. Not a bit of it. Cash realised from BR's sales of its non-operational land is due to fall away, from £277m this year, to £181m in 1990-91.

True, external borrowings will rise, from £66m in 1989-91, to three times that at the end of the five-year plan. But the figures suggest that in fact BR is banking on a huge swing in the gross cash flows — defined as profits or losses before Government grants, plus depreciation — registered by its rail operations. BR thinks they will turn from a negative £300m last year, to a positive £138m in 1992-93.

Basic business-school thinking suggests there are very few ways a management can achieve that. Productivity gains? Perhaps. But the last five years' data, in BR's own accounts, suggest that BR's productivity improvements have mostly come from job losses; yet BR only expects staff numbers to fall about 1 per cent per annum. A boom in rail travel? Maybe; but BR admits that its own assumption, of 2.7 per cent per annum UK economic growth for five years, is far too optimistic. That just leaves price increases to do the trick, on a scale much greater than BR and Mr Parkinson have been prepared to admit.

Bond Corporation

Alan Bond has juggled the fragile elements of his corporate empire for so long that one has grown weary of predicting the eventual outcome. But the end cannot be far away now. The brewery business, where National Australia Bank has called in the receivers, is vital in providing the group's cash flow. Assuming that the receivership decision is not overturned in the courts, there must now be serious doubt about the company's ability to meet interest payments; other banks may decide to try to safeguard their money by following NAB's lead. Although there will be buyers for most parts of the Bond empire, the banks will not escape scot-free.

British Rail

Nationalised industry accounts never get the scrutiny they deserve. When read alongside its last annual report, British Rail's five-year plan, published just before Christmas, is a case in point. Close reading of the figures raises disturbing questions about how it will finance the £4.1bn of non-Channel tunnel capital investment it plans between now and 1994.

Not that BR's capital spending is anything to be proud of, by private-sector standards. BR spent £468m in 1988-89; the

Newspaper MBOs

If you are going to organise the first management buy-out of a national UK newspaper, The People is a rather good place to begin. Not only does it have an evocative title, but the Mirror Group's ownership of two Sunday newspapers competing head-to-head in the same marketplace has always looked an oddity. However, Mr Robert Maxwell has set himself a stiff deadline if he expects The People's lacklustre performance to have been transformed within the time scale needed to attract the venture capitalists into an industry which is even more acid-demanding than retailing and where the management record is even less well respected.

D-Mark ends year on strong note

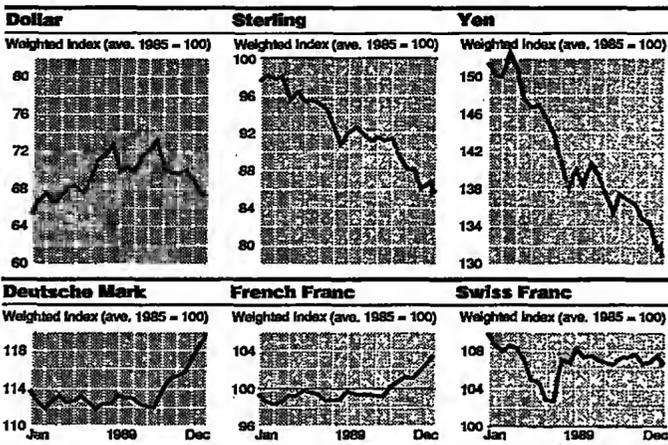
THE YEAR in the foreign exchange markets ended with the tumultuous events in eastern Europe pushing the D-Mark back among the world's hardest currencies after many months in which a strong dollar appeared to dominate. Peter Norman, Economics Correspondent, writes.

During the year, interest rate differentials and political uncertainties alternated as the main influences on currency values, until the Berlin Wall was breached in November. This prompted a significant market re-rating of West Germany's currency and economic outlook.

The D-Mark ended the year just under Thursday's record high against sterling, near a 3½-year high against the Swiss franc and around its highest level for the year against several other currencies. Even before the political liberation of eastern Europe gave the West German currency a psychological boost — on expectations that the country will benefit the most economically — interest rate differentials were already working in the D-Mark's favour.

The gap between short-term dollar and D-Mark interest rates narrowed to an average 0.1 percentage points in the second half of 1989, from 2 percentage points in the first six months of the year, according to the Organisation for Economic Cooperation and Development.

The currencies participating



In the exchange rate mechanism of the European Monetary System (EMS) have so far stayed in step with the D-Mark, in spite of its strength and the June entry of the Spanish peseta into the system. As both the West German Bundesbank and French finance ministry have ruled out a realignment in the near future, the D-Mark, the Dutch guilder, the French, Belgian and Luxembourg francs, the

Danish krone, the Irish pound and Italian lira now look likely to complete three full years of unchanged EMS parities in mid-January.

Such stability eluded sterling in spite of two increases in bank base rates to 15 per cent and substantial Bank of England support. Weighed down by the £200m annual current account deficit, persistently high inflation and doubts over the Government's

re-election prospects, the pound's trade weighted value dropped 11.7 per cent over the year.

The yen was sterling's unlikely bedfellow as a declining currency. Low yen interest rates and the political fall-out of the Recruit scandal were the decisive factors, rather than the steady month-on-month decline in Japan's current account surplus. Currencies, Page 11

Maxwell to promote buy-out at The People

By Raymond Snoddy

MR Robert Maxwell, the publisher, yesterday announced plans for a management buy-out at The People, the popular Sunday newspaper.

The move, the first of its kind in the UK national newspaper industry, is part of a large-scale reorganisation at Mirror Group Newspapers (MGN) involving substantial investment in its three national titles, the others being the Daily and Sunday Mirror.

As a result, Mr Maxwell said the previously-announced flotation of the group would be postponed from next year until 1991.

Mr Maxwell made it clear that yesterday's announcements were the first stage in a significant reorganisation that would clear the decks for younger management. The chairman of Maxwell Communication Corporation, who is 67, said all employees over 60 would be going. He even hinted that he intended to give up day-to-day running of the company but declined to say when.

As part of the reorganisation, Mr Richard Stott, a successful editor of the Daily Mirror, will become editor of The People — a post he has held before. His brief is to "restore it to its role as an entertaining, investigative and informative newspaper."

Mr Stott will have a profit participation scheme at first but will also lead a management buy-out at the paper within two years. Mr Maxwell said that he would keep a minority stake.

Mr Roy Greenslade, associate editor of the Sunday Times, who has worked on the Daily and Sunday Mirror and The Sun, becomes editor of the Daily Mirror.

Between June and November, the Sunday Mirror increased its circulation to 2,957,520 compared to 2,981,857 in the same period in 1988. The People circulation fell from 2,743,253 to 2,641,379.

Mr Maxwell said the Sunday Correspondent at the weekend were higher than newspaper industry sources predicted earlier this week. The Correspondent says it sold 256,000 — considerably above the 240,000 figure rivals were suggesting.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)		PARIS (FFrs)	
Bayer	557 + 9	Elf	46 + 2.3
BMW	454 + 19	Elf	2200 + 198
MAN	454 + 19	Elf	457 + 25.3
BHF-Bank	451 + 17	Elf	
DLW	700 - 10	Jean Leclercq	1275 - 61.3
Hoesch	261 - 8	Penhoet	612 - 27.7
KHD	228 - 10	Suez OS	7.5 - 1.9
NEW YORK (\$)		TOKYO (Yen)	
Am Express	34.2 + 1/2	Chori	1630 + 150
Cambridge Ship	19.1 + 1/2	C helix	1300 + 20
Homestake Mng	44.5 + 1/2	Kanda Tsushin	1230 + 130
Philip Morris	44.5 + 3/4	Kyosha Cable	2290 + 290
Phelps	44.5 + 1/2	Surugaya	1180 + 100
Investor Inds	44.5 + 1/2	Tomogawa	1050 + 107
Smith Int.	12.5 - 3/4		

New York prices at 12.30.

LONDON (Pence)

BP	257 + 10	Royal Inds	579 + 13
Capital Radio	980 + 39	Shell	468 + 10
Coors	292 + 17	Unilever	729 + 13
Gen Acc	1240 + 17	Yorks Water	174 + 5
Granada	338 + 10		
Land Sacs	537 + 7		
Nat West	347 + 7		
Pickwick	328 + 12		
RMC	694 + 15		

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Abaco	28	14	57	Dallas	1	11	50
Adana	18	11	29	Doha	27	11	50
Algeria	18	11	29	Edinburgh	6	11	50
Amman	18	11	29	Frankfurt	10	11	50
Bangkok	28	14	57	Geneva	10	11	50
Batavia	28	14	57	Hong Kong	24	11	50
Bombay	28	14	57	London	10	11	50
Buenos Aires	28	14	57	Madrid	10	11	50
Calcutta	28	14	57	Mexico City	24	11	50
Cairo	28	14	57	Osaka	10	11	50
Cardiff	10	11	50	Paris	10	11	50
Chongqing	10	11	50	Prague	10	11	50
Copenhagen	10	11	50	Rangoon	28	14	57
Cuba	10	11	50	Seoul	10	11	50
				Singapore	28	14	57
				Sydney	10	11	50
				Taipei	10	11	50
				Tokyo	10	11	50
				Yokohama	10	11	50

C - Cloudy, D - Drizzle, F - Fog, H - High, R - Rain, S - Snow, T - Thunder, ? - Heavy GMF temperatures

Bond

Continued from Page 1

ern Australia Supreme Court in Perth, the base of Mr Bond's operations.

Mr Peter Lucas, a senior Bond executive, said: "In theory, if [the appointment of the receiver] could trigger the repayments of every other [loan] facility we have, it could bring Bond down."

The Australian Stock Exchange suspended trading in the shares of Bond Corporation and Bell Resources its 58 per cent owned subsidiary following the bank's request for a receiver.

The NAB's move also reflects frustration and concern about Mr Bond's inability to conclude the long-expected A&M-plus sale or partial sale of the brewing assets is crucial to a debt repayment plan.

With the threat of the appointment of a receiver hanging over its head, Bond Corporation announced a conditional plan to dispose of the

breweries to Bell Resources a matter of hours before the NAB action.

Bond Corporation recently failed to reach agreement with Lion Nathan, the New Zealand brewing group, for the sale of 50 per cent stake in the Bond brewing business.

Mr Bond's UK investments have been reduced to a 36 per cent interest in British Satellite Broadcasting, in which Pearson, the owner of the Financial Times, has a holding. He has £154m in BSB and is negotiating for the sale of the stake.

He also has a 48 per cent interest in Airship Industries and is finalising plans for the sale of a reinsurance group.

Mr Bond also owns a telephone network in Chile and Heilmann Brewing of the US. His Australian interests include diversified mining activities, a television network and newspaper holdings.

Steel knighthood

Continued from Page 1

Business figures receiving knighthoods include Mr Michael Angus, chairman of Unilever. Mr Trevor Chinn, chairman of Lex Services, Mr Derek Hornby, chairman of Bank Xerox (UK), Mr Frank Lamp, chairman of Bovis Construction and Mr John Quinton, chairman of Barclays Bank.

Other new knights include Mr George Turnbull, chairman and chief executive of Inchcape, Mr John Swire, president of John Swire, Mr Robert Easton, chairman and managing director of Yarrow Shipbuilders and Mr Gordon Jones, chairman of the Water Authorities Association and of newly-privatised Yorkshire Water. Mr Gordon Pepper, senior adviser to Midland Montagu, becomes a CBE.

Life peerages go to Admiral Sir John Fieldhouse, who retired last year as chief of the defence staff, Miss Daphne Park, the former principal of Somerville College, Oxford, where Mrs Thatcher studied, and Sir Francis Tombs, chair-

man of T&N and of Rolls-Royce and also chairman of the government's advisory committee on science and technology.

Sir Nicholas Lyell, the Solicitor General, is made a privy counsellor, as are Mr John Paton, the Home Office minister and Mr William Waldegrave, Minister of State at the Foreign and Commonwealth Office.

There are political knighthoods for Dr Alan Glyn, a Conservative MP since 1959, Mr Charles Irving, the Conservative MP for Cheltenham, who is credited with making profitable the Commons catering facilities, and Mr John Wheeler, MP for Westminster North and chairman of the Commons home affairs select committee.

Other new knights include Mr Christopher Prout, leader of Conservative Euro-MPs in Brussels, Mr Paul Beresford, leader of Tory-controlled Wandsworth council, and Mr William Morton, leader of Northamptonshire county council. There is also a knighthood for

Colonel David Stirling, the founder of the Special Air Service.

The arts are well represented, with a knighthood for V S Naipaul, the author. Miss Maggie Smith, the actress, becomes a Dame Commander of the British Empire.

Mr Ian Hamilton Fazey, northern correspondent of the Financial Times since 1986 and a former general manager of the Liverpool Daily Post and Echo, becomes an OBE. Mr Chris Moncrieff, chief political correspondent of the Press Association, receives a CBE.

Mr John Smith, chairman of Liverpool Football Club, receives a knighthood and Mr Tony Jacklin, captain of the successful British Ryder Cup team, becomes a CBE. There are OBEs for Mr Sebastian Coe, the athlete and aspiring MP, and Mr Bryan Robson, the England football captain, while MBEs go to Mr Frank Bruno, the boxer, and athlete Mr Linford Christie.

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Weekend FT

SECTION II

Weekend December 30/January 31, 1989

Armageddon and the Greens

THOSE PROFOUND anxieties which the Green movement has implanted in Western consciousness during the 1980s are often thought to have their origins in the discoveries of science, and so in a sense they do. However, the fear of natural catastrophes also has a much older cultural history associated with apocalyptic vision and the approach of a millennium.

Indeed, the parallels between the modern Green movement and the holy fear of Armageddon are much closer than most people think, even though the recent political rise of the Greens has been quite sudden.

TALK OF sea levels rising, forests disappearing and the planet heating up are just some of the environmental issues that have become front page news. President George Bush, Mikhail Gorbachev, and Mrs Thatcher, are all giving serious attention to these anxieties. Greens are being elected to parliaments across Europe. Magazines are running cover stories with headlines such as "The World is Dying" and "SOS - Earth." It is fashionable to be Green, and to believe in dire forecasts.

Indeed, the dangers are real. But the language, imagery and philosophy of the Green movement has a religious flavour placing it firmly in the millenarian tradition. The events which have catapulted the Green movement from obscurity to prominence are precisely those which, in 1000 AD, were seen as portents of the apocalypse. And the ending of a 1,000-year period makes us unusually receptive to an urgent, frightening, message.

Since ancient times, a thousand years has marked "divine time," associated with the coming of the Messiah and the end of the world. In Pre-Christian Judaism, the world was said to be divided into seven days of 1,000 years each, followed by an eternal eighth day. Early Christian millenarians inserted the Messiah into the 7th millennial day, (which, according to the Jewish calendar, would be only 200 years from now).

For early Christians, the millennium took on apocalyptic meaning. The Book of Revelation, chapter XX, says Christ will return and rule in a paradise on earth for 1,000 years, followed by the day of final judgment. This period of Christ's 1,000-year reign on earth, known as the millennium, is, according to religious fundamentalists, a time of "clean, verdant countryside, of restored, neatly organised and crime-free cities" - a veritable green paradise.

While the literal interpretation of the millennium is no longer widespread, the legend of a 1,000-year period has endured. St. Peter wrote that "one day with the Lord is like a

thousand years." Nostradamus wrote a 1,000 prophecies. Hitler's Third Reich was meant to last for a 1,000 years. The emotive power of the number alone assures that the year 2000, like the year 1000 before it, will focus attention on our collective fate.

Indeed, the year 2000 has a doomsday folklore already - stretching from Nostradamus' prediction in 1568 that "in the year 1999 and seven months, from the sky will come the great King of Terror" to Stanley Kubrick's apocalyptic film 2001. Only this year, Martin Amis published London Fields, an end-of-the-world tale set in 1999.

Similar predictions were rife at the end of the last millennium. St. Augustine, writing in the late 4th century, said that the millennium of Christ's rule on earth had begun with his birth - hence the world should end around the year 1000. By the 7th and 8th centuries, the year

Europe... a terrifying comet appeared in the sky... many who thought that it proclaimed the last day were frozen with fear.

The Green agenda harkens back to such millenarian themes. The very events which were supposed to presage Armageddon are the ones we now call green. Ozone depletion and the greenhouse effect will melt the ice caps (floods), shift agricultural patterns (famines), change sea levels and weather patterns (storms) and increase skin cancer, cataracts, and weaken the immune system (plagues).

Global warming is a new topic supported by old fears. In the same way that AIDS evokes a fear of a plague, and nuclear weapons conjure Armageddon, the prospect of drastic climatic change makes us recall biblical prophecies such as Noah's Ark.

In contrast, the more mundane environmental concerns have failed

The philosophy of the green movement is deeply religious; consumption is sinful, simplicity virtuous. Like the Garden of Eden, the earth is said to be ruined by human folly. The Green message appeals to our deep-rooted fear of retribution; environmental blight is a punishment for excessive consumerism, lack of spirituality, wastefulness. We should repent, and mend our ways.

The message that overindulgence has led us into environmental hell is easy to digest and profound. At the same time, the Green movement has failed to win universal support partly because it accuses ordinary people of being materialistic in a somewhat hollow and shallow way. Jonathan Porritt, one of the leaders of the British Green movement, strikes a positively evangelical tone. His "minimum criteria for being green" include "a reverence for the Earth and all its creatures" and "an emphasis on spiritual development."

In many respects, science is to the second millennium what religion was to the first. In the 10th century, theologians possessed knowledge not available to the lay population. Monks debated the timing, scale, and warning signals of the apocalypse, but ordinary people were simply instructed to await Armageddon. Religion was fact, heretical to question. When religious leaders interpreted natural events, their observations turned into popular expectations.

Today, our faith is in science. Even though scientists cannot forecast tomorrow's weather, we believe their predictions of global warming because their technical expertise seems unassailable. Vastly oversimplified scientific hypotheses, are translated into public opinion by the mass media. And while scientists sit through hundreds of scenarios, only the most terrifying ones grab the headlines.

Ironically, while scientists are least likely to believe in the significance of a particular date, they have unwittingly created part of the mystique surrounding the year 2000. How many predictions have used 2000 AD as a benchmark? In the environment section of the London Library, 90 per cent of the specific forecasts ended at the year 2000.

Dr John Woods, Britain's senior marine scientist, predicts a temperature rise of at least 0.5 degrees centigrade by the year 2000. Ex-Greenpeace chairman Bryn Jones says: "I reckon we have perhaps 10 years to save the world." Scientists reporting to the House of Lords entitled their report *Wasteland Britain, 2000 AD*. Michael Robinson of the Smithsonian Institute predicts that 65 per cent of the world's rainforest will be gone by 2000.

Dr Robert Runcie, the Archbishop of Canterbury, has noted a more fundamental connection between religion and the Greens. Recently, he preached that the emergence of the Green movement represented a major religious development, a return to the view that nature is sacred, that we have duties as stewards of God's creation.



As in Revelation, current forecasts promise both Armageddon and paradise. Inevitably, politicians emphasise the latter. President Bush has promised clean air for all Americans by the year 2000. Labour aims to eliminate nuclear weapons by the year 2000. Mrs Thatcher wants to ban chlorofluorocarbons (CFCs) by the year 2000. Jonathan Porritt's green epiphany is reported to have occurred when, as a teacher, he asked his students to imagine life in the year 2000. Of course, when the date passes, imagination will no longer be necessary. What will happen? At the end of the first millennium, there were two distinct responses. Some were relieved. "In 1003, the

earth was covered in a robe of white churches," wrote the monk Raoul Glaber. Others continued to believe that the end was imminent. When Jerusalem was taken in 1099, people prepared themselves for doomsday. Churches saw their first wall paintings depicting Armageddon. In 1685, the millennium of Christ's death, Europe suffered another great famine, prompting the belief, according to Glaber, that "it was the end of the human race." But it was not Christ's 1,000-year paradise on earth that had not yet begun. So religious leaders rechannelled millenarian energies into efforts to bring this paradise about. The first Crusades, in 1093, were organised specifically to make the

world fit for the millennium. This idea gathered force and was fundamental to the Holy Crusades of the 11th and 12th centuries. History suggests that if the Green movement follows its millennial course, Green ideas will pick up steam as we approach the big day. In the next century, some people will lose interest, but many more will embrace Green concerns with a growing sense of mission. With East-West barriers falling, could the world divide along new environmental battle lines? Perhaps the north-south divide, the struggle between the world's haves and have-nots, could provoke the environmental crusades of the 21st century.

The Long View

When the frisky could turn risky

THE HIGHER the climb, the more satisfying the view - but the more worrying the thought of the journey all the way back down again. This week, the global stock market has been finishing the year in fine form with Tokyo, in particular, making a late run and catching up with some of the year's earlier gains elsewhere. The World Japan Index is up 25 per cent in dollar terms for the 12 months. But, from this elevated position, the New Year is beginning to look rather risky.

Superficially, the world economy is shaping up quite well. The major deficit nations, the US and the UK, are showing noticeably while the surplus countries, notably Japan and Germany, are still powering away. So, the world ought to come into better balance in 1990. That, though, is to look only at the trends picture. The reality, the flows of portfolio capital, in some respects, is just as crucial. If the world's securities markets are being driven largely by Japanese outflows - recently, more than \$10bn a month - what would be the impact of a sharp cutback in such investment?

A reduction of this kind by Japanese institutions might be a logical policy objective for the persuasive and intimidating Tokyo authorities. But the trade surplus is falling and that a stronger yen might be needed to curb inflation (the discount rate was raised in Japan this week).



A schizophrenic stock market torn between take-over bids and underlying economic problems could easily prove at times to be rather dangerous

levels (although the receipts may be recycled into overseas equities). But the price level could be increasingly vulnerable to, for instance, political curbs on take-overs. As for gilt yields, the fall in the public sector financial surplus is implying already a reduction in re-purchases of

gilt in the market. The surplus could prove fragile in a recession and, if official support is removed, long-dated yields could easily rise a couple of percentage points in the face of high and obstinate inflation. That would put downwards pressure on share prices.

Elsewhere, inflation is bound to be a serious political problem for 1990. Wage inflation has now topped 9 per cent and, given the demographic pressures on the labour market, it is hard to see how it could be brought down again except through a more savage recession than seems likely now.

The fall in sterling, especially against the currencies in the exchange rate mechanism (ERM) of the European Monetary System, has reduced greatly the danger of a serious corporate profits squeeze in the UK. But, higher inflation is going to increase the effective tax burden on the corporate sector because corporation tax is imposed on nominal rather than real profits; and there will be pressure for relief (another reason for being doubtful about the durability of the fiscal surplus).

Nevertheless, Chancellor John Major evidently is convinced that he should not get infected by the obsession of his predecessor, Nigel Lawson, with high interest rates, and I would expect to see short-term rates drifting lower gradually through the year. This, however, will not help

the stock market if long-term rates go up. Incidentally, I would hope to see some broader monetary reforms that would bring the UK's ill-disciplined banking system under some kind of constraint (and would lay the foundations for entry to the ERM). I am not optimistic, though.

Certainly, the political stakes are likely to be raised. Will Prime Minister Margaret Thatcher survive the economic perils of 1990? Whatever happens, the stock market will by the end of the year be focusing much more nervously on the 1992 general election.

It might also, of course, need to take on board the consequences of an interventionist government led by, say, Michael Heseltine - the popular favourite to succeed Thatcher eventually - and early entry to the ERM. I cannot say that I have a very clear view of 1990 although I am not comfortable with a stock market where the leaders are buoyed-up by take-over talk. But the second-line is retreating in the face of mounting evidence of difficult trading conditions. My view is that the stock market's out-turn will prove to be dull rather than apocalyptic. There are, however, worrying parallels with Wall Street early in the 1970s when the "nifty 50" floated, disdainfully, clear of the rest of the common stocks. Eventually, though, the blue chips had to come down to earth with a distinct bump.

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MARKETS

LONDON

Footsie in fine fettle for the New Year

CONVENTIONAL assumptions that the stock market would remain deep in post-Christmas torpor appeared to come slightly unstuck this week. Powered by new records in Tokyo and a good performance in the West German market, London rediscovered its optimism and headed towards the New Year in good form.

So much so that the most stringent criticisms to be heard by the end of the week were that the market was "looking over-bought." The final reading showed the FT-SE index with a whisker of the 1989 high and showing a gain of 35 per cent over the year, not bad after a week that saw sterling tumbling and some headlines reviving the fear that UK base rates could be forced yet higher.

Of course, all the traditional post-Christmas factors still applied. Turnover was pretty sketchy at first and, although Seaq trading totals were looking quite respectable by the end of the week, window-dressing and tax-influenced trading played a significant role.

trade data did little to change perceptions for the near-term outlook and the prospects for sterling must remain open, at least as far as the equity market is concerned. But none of the technical arguments applying to the week's stock market performance could mask the relative optimism with which professional investors, fund managers and their like appeared to be facing 1990. Even the end-year window-dressing had a more positive flavour than usual.

In truth, many fund managers had good reason to dress up their portfolios in readiness for the annual inspection by the trustees. It has been a tricky year, with plenty of opportunities both to miss out on the sudden hull rashes or to be left behind in the wrong sectors when high interest rates began finally to bite.

Consequently, last week saw some funds trying to top up holdings in the financial stocks which have led the most recent up-swing in equities; valued both as defensive and as potential bid targets, the banks and insurance issues are still wanted by all.

FINANCE & THE FAMILY: THIS WEEK

Where next for world markets?

As the '80s draw to a close, FT writers consider the state of the markets over the last decade and look ahead to the '90s. Plus: what the fund managers say. Page III

Analysts? Who needs them...

Benjamin J. Stein says that personal research can make the world of difference to a portfolio. Plus Daniel Pallant gives his astrological forecast for the markets in 1990. Page IV

Diary of a private investor

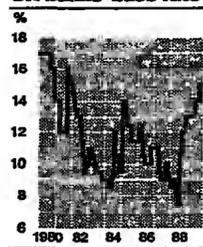
Kevin Goldstein-Jackson reflects on what has proved a rather quiet year for his family's investment fortunes. David Waller reports on company's shortened accounts. Page V

Minding your own business

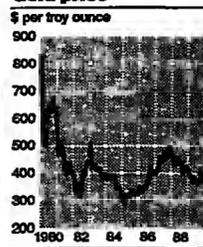
Roy Hodson looks at the track records of entrepreneurs whose hopes and fears he has chronicled during the year. Page VI

BRIEFCASE: A profitable hobby: Page V

UK banks' base rate



Gold price



NatWest chief forecasts fall in UK interest rates

UK interest rates should begin to fall next spring, dropping to a base rate of 12 per cent from the present 15 per cent by the end of the year, Tom Frost, National Westminster Bank's group chief executive, said in his New Year message. Frost forecast a "significant improvement" in the economy in 1991, based on the decline in the cost of money.

Analysts see new bullish trend in gold sector

Gold ended the year on an uncertain note, with the London bullion price barely above \$400 an ounce after falling sharply this week. On Thursday it declined below the key level of \$400 for the first time for five weeks.

New money market account from Skipton

A new type of wholesale money account, with an interest rate linked to the wholesale money market, is to be launched by Skipton Building Society on January 8. The interest rate will be fixed quarterly based on the three month Libor (London Interbank Offered Rate) quotation as set by the British Bankers Association and will be grossed-up to remain always 0.75 per cent above the figure.

Stockbroking group expands into Wales

Robert White & Co, the Edinburgh-based stockbroking arm of the TSB Group, has announced further expansion of its provincial network with the planned establishment of an office in Cardiff. This will be its fifth office and will offer a range of stockbroking services to private clients, as well as medium and smaller-sized companies.

HOW SHARES HAVE MOVED

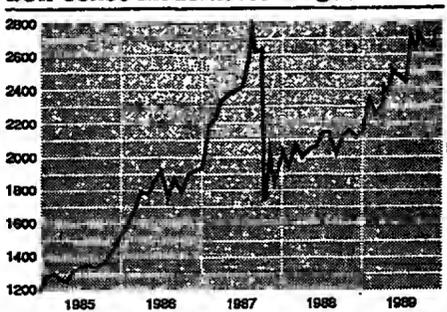
The following table shows the percentage movement in the FT Ordinary share index and its constituents since the end of last year. The FT-SE index is also shown.

Table with columns: Price year-ago, % change on year, 1989 High, 1989 Low, and constituent names with their respective price movements.

WALL STREET

Euphoria on a high wire

Dow Jones Industrial Averages



cal state, professional portfolio managers appear to be more bullish in their market forecasts than they have been for years. A series of long interviews published with five top institutional money managers by Barron's magazine earlier this month, found that they were bullish without exception and virtually without qualification in their long-term outlook.

Building and construction issues, also back in favour this week, have had a more erratic track record. They were strong earlier this year as the Channel Tunnel and other construction projects attracted attention.

Nevertheless, many a fund manager must be asking himself if it really is a good idea to follow the rush into the equity market at the beginning of a year which promises a recession in the industrial nations of the West. He will, however, find no shortage of equity strategists ready to assure him that the market has discounted the bad news already.

At Barclays de Zoete Wedd, Peter Thompson has revised his predictions for the FT-SE in 1990. He predicts that, by the end of the year, Footsie "might be between its current level and 10 per cent higher."

Yet, as things stand at present, the New Age faith could all too easily turn to disillusion, even without some genuine catastrophe such as the death of order in the Soviet Union or a recession in the US.

DESPITE the festive cheer of recent weeks, few change agents have been popping in the offices of smaller company funds.

price, lost at least half their value, including such institutions as Sock Shop International, the niche retailer, and Savage group, a hardware product distributor.

The bond market dropped sharply just before Christmas, the dollar has been declining steadily for three months, the Dow Transportation Average peaked in August and the utility average may well have peaked early this month.

While most investors can bank in the glow of the 29 per cent rise in the FT-All-Share index, most small company funds have been battered by the mere 1.5 per cent rise in shares on the United Securities Market.

Another high profile casualty in the motor trade was Spies, an auto parts distributor run by Gordon Spies, a racing driver. Severe accounting and cash-flow problems led to a brace of rights issues, a £4.6m pre-tax interim loss and an injection of new management.

In the next month or two, however, more powerful forces than simple weight of money are likely to determine the market's trend. On the upside, the advent of the new decade creates the possibility of an outbreak of New Age euphoric thinking on a far greater scale than anything seen in the bull market of the past eight years.

Its problem, in its early years at least, was that no sooner had companies in a particularly fashionable sector joined the market than they turned sour. This it was dominated by small stocks in late 1982, when North Sea production and exploration stocks came under pressure.

At least Spies survived the year, which is more than Sharp & Low, a shipfitting group, managed to do. Administrative receivers were appointed in October after the company buckled under high interest rates and the poor retail climate. A fellow shipfitter, Chestergate Group, also had a hard time, mirrored in the loss of 70 per cent of its value.

Table with columns: Monday, Tuesday, Wednesday, Thursday, Closed, and values.

Anatole Kaletsky

Other contenders for the worst-performing company of the year include Total Systems, a software company hit by the shakeout in the computer industry (Total lost 74 per cent of its value); the US-based Cambridge Isotope Laboratories (down 71 per cent); International Media Communications, a video tape marketing company (down 69 per cent); and Associated Energy Services, a kitchen maintenance contractor (down 66 per cent).

However, the wooden spoon goes to City & Westminster, which lost 61 per cent of its value. The plans of this finance house, which only achieved a quote this year, have fallen apart in the last month, when it lost its chief executive and chalked up an interim loss of £2.7m.

So much for 1989. As the new year is ushered in, the premium of USM shares to those of the main market has rarely been lower, and few in the market can gauge the effect of the relaxation of the entry rules and the abolition of the Third Market.

Even if 1990 does not prove as tough as 1989, it will be another basting year.

Vanessa Houlder

Hestair bid spotlights employment agencies

THE BATTLE for control of Hestair, which now involves two of the world's largest service companies, has focused attention on employment agencies, until recently, among the most buoyant shares on the market.

But the slowdown in both the US and UK economies has undermined the industry's trend of steady growth. From Manpower, the market leader, to Kelly Girl, Alfred Marks and Atlas, analysts have been questioning agencies' prospects.

The stock market has already given its answer. Hestair's shares lost more than 50 per cent of their value between last December and the announcement in November of the £167m hostile bid from Adia, the Swiss services giant. Reed Executive's market capitalisation has been cut by 38 per cent since March.

by the fact that many agencies are subsumed in larger groupings or have overseas owners. Hestair itself has suffered through its presence, although shrinking, in consumer products.

The employment agencies all argue that the slowdown is only temporary. BET, the huge support services group which is seeking to enter the market through an agreed £192m bid for Hestair, says that while it expects some tightening in 1990, it believes employment agencies will be one of the fastest growing service sectors in the medium to long term.

In the ten years to 1989, the UK temporary employment services market grew at a compound annual rate of 9.6 per cent, resulting in a total market size of £2.2bn. In the US, the \$15bn market grew even faster, at an annual rate of 11.5 per cent between 1979 and 1989. Temporary staff are usually taken on to fill gaps resulting

from illness, holidays or fluctuations in workload.

The sector has also been helped by the trend for companies to contract out non-core activities. In addition, the declining number of 24 year olds in both the UK and US may encourage employers to use agencies to supplement their numbers.

These factors have already prompted a steady increase in the proportion of the total workforce represented by temporary staff. In the UK, the figure has increased from less than 0.5 per cent in 1978 to more than 1 per cent, and in the US the rise has been from about 0.2 per cent in 1970 to almost 2 per cent. If this trend continues, BET forecasts that by the year 2000, temporary staff will account for at least 2 per cent of the UK workforce.

On this point at least, Adia agrees. Peter Muller, head of Adia's personnel services worldwide, uses international

comparisons, to support the argument for growth. In the Netherlands, for example, temporary workers already account for about 2 per cent of the total workforce.

There is less agreement, however, about the current slowdown and the impact of recession on the employment services industry. Alec Reed, chairman and founder of Reed Executive, believes the slowing of the UK economy is already having an adverse effect. He said the fall in his company's pre-tax profit to £3.91m for the six months to September 30, compared with £6m in the same period last year, reflected falling volumes and recruitment problems.

David Hargreaves, Hestair's chairman, on the other hand is relatively sanguine. With the exception of Atlas, the group's principally London-based agency, he says that "trading results to the end of October are excellent."

The difference between the two views can be explained in terms of market focus and geographical exposure. Reed has a relatively high proportion of its business in permanent as opposed to temporary staff, and permanent placements suffer more from a slowing economy. Reed is also largely concentrated in the south east, which has been hit by a shortage of skilled staff.

Another important characteristic is the extent to which companies employ skilled or specialist staff. BET's research suggests that during the recession at the beginning of the 1980s the return on sales for specialist staff fell far less sharply, and remained positive, compared with returns for office support staff. For the sector as a whole, the recovery from recession was relatively swift.

The picture that emerges - a short-term slowdown with buoyant longer term prospects

partly explains the recent corporate activity. In addition, there is logic in a process of consolidation.

At present, the five largest companies control only 23 per cent of the UK market and about 35 per cent in the US. Large international agencies could service multinational clients in their various markets. There is also a general trend towards consolidation among suppliers in the service sector.

The main reason, according to BET, is to cut the customer's administration costs and produce better understanding between suppliers and their clients.

This suggests that Hestair may prove to be only the first in a series of industry takeovers. The larger players will regard the current slump in the sector's rating as an opportunity to do some recruiting of their own.

John Ridding

FINANCE & THE FAMILY

FT writers eye the '90s — **ANATOLE KALETSKY** has doubts

Disappointments in store?

AS THE 1980s turn into the 1990s it is impossible not to be optimistic. A new era of peace and prosperity seems genuinely to be at hand in many different parts of the globe. Investors must, however, judge whether the stories of a golden age are reflected already in asset prices. Indeed, the general optimism today probably rules out a repetition of the sensational investment gains of the 1980s. Remember what the decade looked like around the turn of the decade: the second oil shock, the Ayatollah's hostages, the UK's winter of discontent, the Volcker squeeze and the collapse of Chrysler, and the Russian invasion of Afghanistan.

The 1980s started with plenty of possibilities for pleasant surprises for investors. But surprises in the next decade are likely to be on the side of disappointment. And if it is dangerous to jump blindly onto the bandwagon of euphoria, it might be equally foolish to defy the upbeat conventional wisdom. The herd could be spectacularly wrong in the next decade, but most of the time it is right — and richer.

Thus, when a strong consensus exists in the financial markets, investors must steer a path between the twin perils of a conventional wisdom that may be too conservative and simple-minded contrarianism. One way to do this is to look for unconventional investment conclusions in the different themes that make up the bullish consensus. Here are a few examples.

■ The liberation of eastern Europe. This certainly seems to be happening (although the possibility that something could go badly wrong provides the world, for the first time in almost 10 years, with a reason for buying gold). But is the German stock market the best place to profit from the capitalist revolution in the east? The big profits will not be made by Germans selling goods to eastern Europe but by local entrepreneurs. Direct investments in east-

ern Europe, through vehicles such as the recently formed Hungary Fund, will be better ways of playing this trend than shares of German multi-nationals like Dabner, Bors, BASF or Deutsche Bank.

■ The main impact on West Germany will be from the big population influx. This will be good for the German construction companies and it should ultimately help the languishing Deutschechemie bond market by curbing inflation as well as reducing social security deficits. But the biggest German beneficiaries will be residential property-owners. A rental flat in Berlin will probably be one of the great investments of the 1990s. A flat in central Prague or Budapest, if only one could be bought, would be a virtually guaranteed bonanza.

■ Economic take-off in the Third World. The South-East Asian stock markets have already experienced phenomenal appreciation in the 1980s. The next decade could see the turn of Latin America, now that the region's huge debt burden is being forgiven quietly by western governments and banks. The main beneficiaries in the Third World will be telecommunications, banking, pharmaceuticals, road transport, insurance and airlines. The main beneficiaries of 1992 should be consumer-orientated businesses like retailing, certain financial services, leisure — and office development in Brussels.

■ Disinflation and the "death" of the economic cycle. Most stock markets are

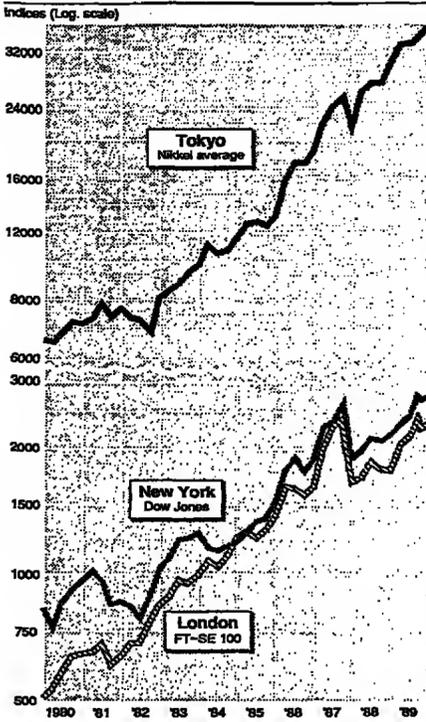
priced on the assumption that neither inflation nor recession is very likely, but that recession is the greater threat. Hence, most industrial and natural resource stocks are valued lowly, on the ground that their earnings would be hurt by a recession. In fact, since the mid-1980s, maintaining full employment has become a higher priority generally than lowering inflation. Thus, highly cyclical sectors (like oil and gold) should do better in the coming decade than in the disinflationary 1980s. Government bonds and financial stocks, which enjoyed big gains in the past decade, may be in for a rougher time.

■ International economic adjustment. Gradually, the huge imbalances between the world's main trading blocks are being curtailed. The main implication is that investment profits in the manufacturing side of the US economy will increase radically compared with the services sector. Savings rates will also rise in the US, while consumption declines. As a result, US industrial companies should enjoy much better prospects in the 1990s while consumer-orientated groups will suffer, even though the present pricing on Wall Street suggests the opposite.

■ Currency stability. The world's finance ministers may be committed increasingly to stable, or even fully-fixed, exchange rates after one further major adjustment of the yen and an EMS re-alignment. As a result, high-yielding long-term bonds issued by EMS countries like Spain and Italy will be exceedingly attractive compared with D-Mark investments.

All this suggests another reason for favouring inflation hedges such as gold, oil shares and (not least) residential property. The first two have taken off recently — oil shares, in particular, seem over-priced temporarily. On the other hand, the much-maligned British family home looks like a perfect contrarian investment for the mid-1990s.

Major stock markets performance over the last decade



BARRY RILEY sees a bad year

THE BRITISH private investor in 1990 faces two principal domestic risks — that inflation will prove to be higher than expected, and that the economy will experience an unpleasantly bumpy landing. It is difficult to imagine that both dangers could materialise simultaneously on a severe scale — to some extent, they are mutually offsetting — but, on simple economic numbers, it is likely to be the worst year for quite a while, possibly since 1981.

The dangers have been discounted in part already. Small company shares have been weak since the summer (and the stock market as a whole is struggling to regain the peak reached nearly four months ago).

Sterling has fallen significantly in value since October (and since the beginning of the year). Quite possibly, there is a recovery in the air. The investor needs to be ready at this stage to look through the trough. He has to be prepared to believe that at some stage during 1990 interest rates will be falling, sterling will be rallying, and there will be some interesting recovery situations in the stock market.

For the moment cash returns are high, although they are not always worth what they seem. A nominal 10 per cent building society account returns only 8 per cent to the 40 per cent taxpayer, and that implies a real return of just about zero at the present inflation rate.

At this stage of the interest rate cycle you can do significantly better with banks, which tend to follow money market rates up when building societies hang back. Conversely, it is better at the moment to borrow from a building society than from a bank. But don't rush in the moment for house prices remains poor.

So, where should the money go? Even though the returns on short-term deposits may seem favourable, the likely persistence of relatively high inflation makes index-linked investments look a good prospect for the next year. The National Savings 4th Index-Linked Issue remains outstandingly attractive, albeit only up to the maximum holding of 25,000; the real return is 3 per cent a year and more than 4 per cent if held for the full five years.

Elsewhere, index-linked gilts remain excellent hedges. They performed disappointingly up to 1987 but have done well since, at least in their own "safety first" terms.

They may have been over-shadowed by more glittering investment performances in the 1980s, notably by equities, but these returns have been riskier and it is now very likely that the going will be tougher in 1990. So, a real return of 3 per cent or so will be quite acceptable.

Conventional gilts are still dominated by the effect of the Government's buying-in programme. Yields have risen a little, but the real running yield for 40 per cent taxpayers is slightly negative and gilts are unattractive given that the prospect of capital gains is now very limited.

What about equities? The stock market has become stratified recently, which makes it very hard to read. It is buoyed up by take-over bids, but the underlying weakness of the domestic corporate scene has come through in the small company sector. The best advice is probably to steer clear at this stage but to put in money as the recession develops.

Companies with a strong overseas orientation — either through subsidiaries or through exports — will ride out 1990 fairly comfortably. This will not be like the 1981 recession, when sterling was very strong. And remember, by the time the recession has reached its worst phase, the stock market will already have begun to rally strongly.

Bombed-out small companies will offer the best pickings for those who are clever or lucky with their timing.

Of course, equity investment is a global affair these days. So, where do the best prospects lie in 1990?

No regions have been neglected obviously during 1988, a year in which all the major areas have powered ahead by substantial percentages. With some trepidation, I would go for continental Europe, largely because there is scope for a lot more American and Japanese money to be placed there as 1992 fever develops further.

Next, I would choose Japan, although more for the potential of the yen than of the Tokyo stock market as such. I am not too keen on the US for 1990, or the emerging markets, which have become over-stretched.

JOHN PLENDER is hopeful

IS IT A CASE of premature celebration? Or is the boomlet in the UK equity market well founded? For those who prefer their bull markets to have a sound macro-economic foundation, a surge in equity prices looks curious when most pundits' forecasts for 1990 point to markedly slower economic growth, inflation well above that of Britain's main trading partners, and pressure on corporate liquidity.

The justified view from the foreign exchanges, which have presided over a sterling depreciation of more than 8 per cent against the D-mark since the eve of Nigel Lawson's resignation as Chancellor, is hardly encouraging; especially since benign neglect of sterling has, in the past, tended to result in short-term gains in competitiveness being eroded by rapid inflation.

That, no doubt, explains why the long end of the gilt market has weakened since the arrival of John Major to replace Lawson at Number 11 Downing Street. Already, bond investors have pigeon-holed him mentally in the great devaluationist tradition of post-war British chancellors, and battered down the financial hatches accordingly.

But, with the equity market, it is always important to remember that around 40 per cent of corporate earnings come from overseas. And Major's neglect of sterling has lifted one of the bigger clouds

on the horizon for corporate profitability.

For much of 1989, the equity market was anticipating a fierce squeeze on profit margins as higher wage inflation and lower productivity threatened to raise unit labour costs when the economy slowed down. Devaluation has now provided UK exporters with the chance to defend margins by raising prices — an encouraging pointer for profits and dividends.

Bad news, perhaps, from the point of view of sterling, Britain's longer-term problem with wage inflation; but investors have chosen to interpret this as an indication of less-severe reductions to come in profits and dividends next year.

Indeed, Britain's exporters

are now in an exceptionally favourable position, thanks to the unusually balanced pattern of demand in the world economy. While the Anglo-Saxon countries have moved into a period of slower growth, Japan and continental Europe are still in the throes of a boom, thereby providing a powerful incentive to the Anglo-Saxon corporate sector to shift resources from the home market into exports.

Against that background, UK investors are coming on 1990 turning out to be the year in which interest rates finally turn down, growth slows down but falls to evaporate, and Tory electoral prospects pick up. The timing of Prime Minister Thatcher's political crisis over her Chancellor's resignation could hardly have been

bettered on that score. And Major must be pinning his hopes on despatching the financial misery in 1990 before delivering a more cheerful message to voters in 1991-92.

The trouble with that scenario — and, indeed, for the equity market generally — is that it implies a fair degree of luck and considerable skill in the difficult art of fine tuning the economy. If the Bundesbank, facing a difficult year round in Germany next year, feels obliged to raise interest rates again, benign neglect of plummeting sterling might cease to be an option. The threat of recession would loom larger. And history suggests that third-term governments are accident-prone, so Labour's poll ratings could yet give the market a shock or two.

With the FT-SE 100 Index up by an eighth since Lawson's exit — a rather ungracious valedictory salute — and the average dividend yield on equities down to 4 per cent, the best of the party may be over for the moment. But the big investment institutions remain liquid and plenty of individual stocks look cheap. This is particularly true of smaller companies, shares in which have been hit indiscriminately over the past two months.

A squall over sterling on the foreign exchanges would provide a fine opportunity to buy anything that looks over-gear, interest rate-sensitive and capable of survival. And with the pound in decline, shares in the manufacturing sector look ripe for selective attention.

Heather Farnbrough and Sara Webb review the experts' forecasts — and listen to some more Time of reckoning

THIS TIME last year, Finance & the Family asked 10 fund managers to make forecasts for the stock market in 1990. They were asked: at what level will the FT-SE 100 be by the end of December 1989? What are the prospects for the UK stock market? If you could invest in only one other stock market, which would you choose? So, how well did they do? During 1989, the UK market weathered a mini-crash, recovered, and the FT-SE 100 index burst through 2,400 this week. None of the managers came very close to predicting where the FT-SE would be at the end of 1989, and some were way out in their choice of another market. However, despite the potential ignominy of being ranked by the success of their predictions, they have agreed to give forecasts for 1990. We give the winners and boobies below.

■ Hugh Jenkins, formerly investment director at Allied Dunbar, and now chief executive of Prudential Portfolio Managers, took first place for 1989.

He predicted the FT-SE 100 would be 2,200 at the end of 1989, forecast a rally in the market in the second half, and chose to invest only in the UK market.

Coming top did not stop him from going down with "flu over Christmas. With little voice left, his forecast from his sickbed was necessarily brief. He predicts that, by the end of 1990, the FT-SE 100 index will rise modestly to 2,350, and thinks the other market to go for is West Germany.

■ Nicholas Fraser, a director and head of investment management at James Capel, did well on the UK last year but not so well on his other market.

He forecast the FT-SE to be 2,050 at end-1989 and was feeling bullish after the first quarter. His other chosen market was Australia. When reminded, he groaned and said: "I'll never be allowed to forecast Australia. Like all investors, you remember the ones you got wrong?"

The Australian All-Ordinaries index has increased by 10.89 per cent since the end of last year (from 1487.4 to 1649.4). "Not too sparkling a performance when compared with most stock markets in 1989," he admitted.

His FT-SE forecast for the end of 1990 is 2,300, with the best part of the rise taking place in the second half. "Although the UK has to undergo tough economic and

financial conditions in 1990, the market will increasingly be looking ahead to 1991 and the expectation of lower interest rates and lower taxes in the run-up to the election in 1992," he said.

He thinks France is the other market to invest in — "plentiful liquidity, the continuing restructuring of the corporate sector and fast earnings growth in 1990 signal another good year for share prices."

■ Graeme Knox, general manager of investments, Scottish Amicable. He points out that the FT-SE 100 is a very narrow representation of the UK stock market compared with the All-Share.

Forecast for end-1989: he was mildly bullish about the UK, predicting the FT-SE at 2,040.

'Like all investors, you remember the ones you got wrong'

and chose to invest only in that market.

Forecast for end-1989: FT-SE at 2,650, bullish about the UK and France, would invest only in Britain. "I believe that, even in sterling terms, Britain could be one of the best world markets. I think we've seen the worst of the fall in the pound."

■ James Shillingford, managing director M&G Investment Management.

Forecast for end-1989: FT-SE at 2,000; moderately bullish about the UK. His selection of West Germany as the other market proved a wise choice: the FAZ general index increased by 31.72 per cent (from 549.86 to 724.26) while the DAX index went up by 33.4 per cent (from 1237.87 to 1771.44) in the course of the year.

He expects the FT-SE to reach 2,500 at the end of 1990, and thus feels moderately optimistic about the UK. He thinks the key to getting the UK market right is to focus on inflation figures and the relationship between inflation and interest rates. "If it begins to look as if the inflation rate is coming back below 5 per cent, the market could move." His other choice of market is Japan.

■ William Long, director of National Investment Group.

Forecast for FT-SE at end-1989: 1,963. He felt ambivalent about the UK and chose Japan as his other market. The Nik-

kei index has climbed 28.91 per cent (from 30,159 to 38,877) this year. Long says investors should be cautious on the UK but get the Japanese market right — it was the outstanding place to be in 1989.

He predicts the FT-SE will be at 2,450 at the end of 1990. He is bullish about the UK market, but only if interest rates come down by more than two points. The other market to invest in, he believes, is the US.

■ Peter Saunders, head of private portfolio management at Kleinwort Benson, was unavailable for comment this year.

Forecast for end-1989: FT-SE at 1,950, neutral to bullish about the UK, and chose Spain as the other market to invest in. His colleague...

■ Andrew Gregory, head of private client business at Kleinwort, says last year's forecast was "too negative... it has been far stronger in the last quarter than we thought likely. And Spain was not so good." The Madrid Stock Exchange index climbed 8.14 per cent from 274.43 to 296.77.

Gregory predicts an FT-SE of 2,700 in 12 months' time. "It could be that, by the end of 1990, the possibility of a Labour (general election) victory will look stronger, although I think there is increasing evidence that the Conservatives will win," he says. "We expect a slow-down in corporate activity, with profits under pressure and interest rates coming down in the second half. At some stage, it would be wise to switch from internationally-orientated companies to the more domestic ones in 1991."

Outside the UK, he would choose Japan — but only the smaller and medium end of the market.

■ Mike Kerahaw, investment manager at Royal Life.

Forecast for end-1989: FT-SE at 1,900, ambivalent to bullish on the UK, with West Germany as the other market to invest in. He did well on Germany but was too cautious about the UK. His explanation was "the unexpectedly high amount of institutional liquidity due to an exceptional amount of take-over activity. The market was boosted by much re-cycled money going back in."

He sees 1990 as a recession year in the UK, but adds: "If it's clear there is another side to the valley, the market should go up by 5 per cent." He predicts the FT-SE will be 2,550 at the end of 1990, feels "guard

Continued on Page VI

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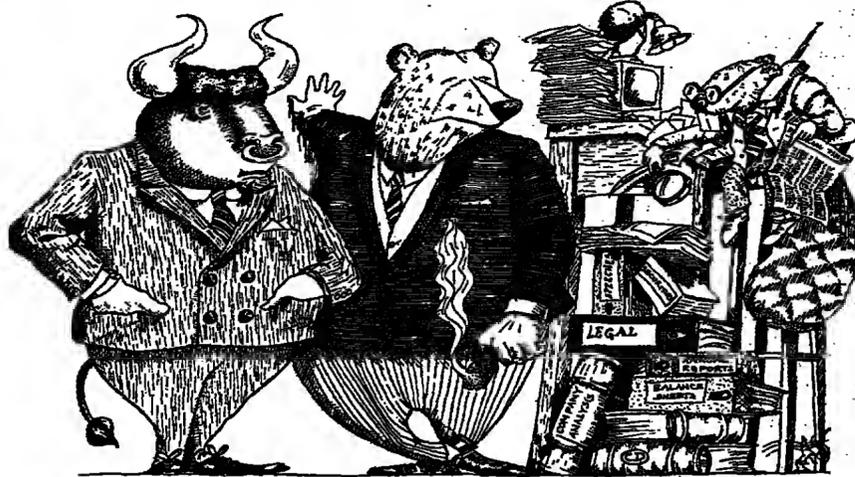
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FINANCE & THE FAMILY

Benjamin J. Stein says that personal research can make the world of difference to a portfolio. Forget the analysts and do it yourself



ONE OF THE smartest people I have ever met, a true genius in several fields including economics and mathematics, believes in the theory of efficient markets. That is, he thinks that all opportunities for gain based upon known facts already have been discounted into the price of stocks.

Based on that conviction, he believes that he could do just as well by throwing darts at the stock page as he could by doing research himself and buying according to what he found out. Therefore, he buys more or less at random and makes a good return when the market is hot, a poor one when it's not. Overall, he would duplicate what he would make on bank Certificates of Deposits (CDs).

Another friend, also extremely intelligent, believes that the securities analysts and mutual fund managers of major brokers and dealers already know about as much as can be known about stocks. Their research abilities and staff dwarf her own and therefore, she believes, there is no point in her attempting to study stocks and markets. Instead, she buys shares in mutual funds. Some have done well. Others have done poorly. Over time, her holdings just about track - or slightly under-perform - the Dow Jones index.

Still another friend believes the stock markets are rigged, that top managers will simply steal all good opportunities, and that there is no point in being in equities. He makes a steady, safe, small return in CDs at large banks.

Then, there is my friend George. He is also a smart fellow. But he believes that an efficient market is a vague concept indeed. If the market functions in liquidate inefficiencies, he wants to be a part of that process. He studies annual reports, magazines and news papers, and speeches by chief executives. He snoops in legal filings and sometimes visits company sites. From owning investments worth thousands of dollars when first I met him 15 years ago, he has gone to a portfolio of tens of millions. I know other Georges, too. These people are like little bears, chewing through data at libraries, reading reports instead of watching TV, attend-

ing annual meetings instead of boating. These folks' investments all seem to make out far better over time than the Dow and far, far better than CDs. Then, there is little me. I have been speculating, albeit on a tiny scale, since 1968 when I was 13. Over that period, I have observed that the one variable that predicts gains better than any other is the amount of time I have spent researching the company. Where it is high, gains have been high. Where it is low, gains have been low or even losses. Then, too, there is what I have learned from my endless research into management buy-outs. The unerring result of my study has been that those with a knowledge of management buy-outs do not do as well as those who do not. From all this, a conclusion leaps out: Even in the age of "machine-generated research," with legions of analysts and instantaneous trades of huge size, it is still extremely worthwhile for individuals to do at least most of their own research. And here are the reasons why.

First, Milton Friedman's brilliant theory of personal gain says that if an individual is directly and substantially at risk, he will work far harder and far more effectively than if he is not. No securities analyst in a fat on Wall Street can possibly be as motivated to pick stocks correctly as you are when your retirement or your daughter's wedding expenses are on the line. Moreover, while many securities analysts are undoubtedly well-trained and competent, as a group they tend to be wildly over-worked. They have responsibility for a huge number of stocks, by and large. They simply lack the time to expend significant effort on any one stock.

The individual investor, on the other hand, can pick a

small number of stocks and concentrate on them. He can read everything on file about say, 10 companies and get to know them extremely well. Any truly motivated intelligent investor can get to know a stock as well as any securities analyst - and usually better. The individual investor, moreover, need not worry about whether his stock selections will upset his underwriting department or raise eyebrows at the next staff meeting. He need not attempt to generate sales for the sake of commissions. He need only worry about making money.

In terms of motivation, absence of conflicting interest and availability of time, almost all intelligent investors can surpass all but the very best and most energetic securities analysts. Second, the individual investor can, if he wishes, use the accumulated knowledge of a lifetime to augment his study

of stocks - which most analysts cannot do. On and on it goes. My friend George is in the entertainment business. His knowledge of it has led to buying shares in this sector that have turned out to be spectacular investments. As for myself, I have an abiding interest in California real estate. Over the past 10 years, I have been able to find stocks with market prices far lower than their asset values. Analysts refuse consistently to see these companies' real worth, even when they go into liquidation so that the real-estate value can be taken out. This has provided a chance to buy southern California real estate in the 1980s at 1960s' prices.

In my small case, I actually took the time to visit some of the real estate in question, research comparable land values and even hire appraisers (who usually could not get over that I wanted them to tell me the right price and not

vice-versa). A result of this work was the discovery of large inefficiencies in the pricing of these stocks. As these were rationalised, the stock prices rose, liquidating dividends were paid and the inefficiencies were somewhat removed. But, in the process, I made gains beyond those offered by any stocks on which I have not lavished research time. The point is that adding-in your own knowledge and experience to additional research yields worthwhile returns.

The analyst in New York, usually young and usually without first-hand observation and experience, cannot match the acumen the retired accountant can wield. Indeed, retired accountants can often capitalise on the best knowledge base of all. They usually have specialised background in one or two industries. They know what is real and what isn't, what works and what doesn't,

far beyond the scope of the securities analyst. Moreover, their knowledge of accounting allows them to read the indispensable heart of data about any stock - the balance sheet and its vital accompanying notes. Being able to do this with fluency is a major plus in research. It would shock many people to know how few analysts can do this, or care to do it, or have time to do it, with skill and in detail.

At the same time, the individual investor need not be moved by the fads and fancies of Wall Street and is not swayed by rumours, gossip and speculation. Nor are the tools of analysis difficult to learn. Modest facility with arithmetic, the willingness to remember detail, the energy to compare and contrast - these are what it takes to study companies. Stock-pickers always come down to a common sense, and that usually comes down to a few ac-

counting tools and a lot of work and experience. Well, someone will say, but aren't managements corrupt? Don't they lie? The answer is that the actively corrupt managers are still (I hope) the exception. The great mass of managers have all the folk of ordinary honesty but are not working purposely to harm their shareholders. They still tell the investor enough to give a good head start on learning what the company is about and whether there is an inefficiency worth investigating. Don't count on management to tell you everything, but management can start you in the right direction.

Yet another person might argue: "Well, you may say all this but you are only citing your few miserable examples and say this describes anything useful in opposition to the brilliantly worked-out theory of the efficient market?" The answer to this question, in many ways, the most telling of all.

First, the most successful stock-buyer in the post-Second World War era, Warren Buffett, says that he personally loves and worships the efficient market theory. As he has remarked often, the theory cripples and charms other investors (his potential competitors) that he has a far clearer field to pick his stocks, find huge inefficiencies - and make billions. The efficient market theory, in his view, is a collateral disarmament by most investors. It allows the aggressive investor to find bargains and make money, unimpeded by others trying to do the same. Major gurus like Peter Lynch and Fred Alger say the same thing.

Second, even if you do believe that markets discount every available piece of data, that still leaves plenty of room for individual initiative. After all, the efficient market theory does not say that markets become efficient by "extra-herd" means. Individual investors bring new data, compare them with other data, and either buy or sell accord-

ingly. That is, some man or woman must take information and translate it into a price. Why should that person not be you?

Someone has in see that the \$10 stock is worth \$20 and start the move up to \$30 by buying-in at the lower level. Even such a minuscule speculator as yours truly has done it with very small companies. If the market becomes efficient as investors make money on under-valued stocks, why not be one of them? Of course, even the best investment decisions can be neutralised in the short run by market panics. But, again, some advice from Warren Buffett, the master liquidator of inefficiencies, can be mind-buffing. Buffett has said that he doesn't buy markets. He buys companies that are worth owning over the long run; and if the market takes their price down unreasonably, that is just an opportunity to buy more. His ideal holding period for such stocks, he says, is forever.

Finally, it is worth the time it takes to study stocks? Obviously, that depends on the value of your time and the value of your capital. If a man makes \$600 an hour and has almost nothing to invest, his time is probably not well-spent studying stocks. However, for most middle- and upper-middle class people, the research effort is extremely worthwhile.

If an investor has a \$500,000 portfolio and spends two hours each week studying companies, thereby raising his return on his capital by three percentage points a year, he makes about \$150 an hour for his work. Through the magic of compounding, if he can continue to invest the same amount of time and improve his results by the same ratio, after six years he will have realised a wage of about \$340 an hour from his efforts in increased value of his portfolio. This is good pay.

Obviously, there are no guarantees. But the individual investor, reading, studying, being his own adviser and mentor, can pay himself well indeed for the effort. The big guys do it, and the little guys who become big guys do it. If you have ever wanted to work for yourself, it's a good way to begin. Reprinted with permission from Barron's Weekly.

House price gloom

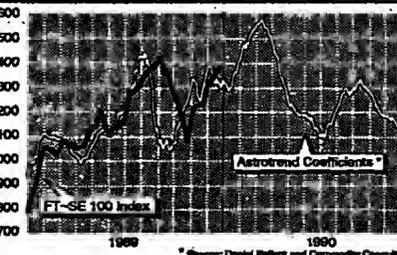
HOUSE PRICES will fall by a further 10 per cent in the next six months before starting to pick up, according to a report from stockbroker UBS Phillips & Drew this week. Phillips & Drew blames the fall - which rates as the worst in the post-war years - on the "exorbitant" cost of home loans. In previous housing recessions, the rise in personal disposable income has made it easier for home-owners to bear the cost of their mortgage payments. But the report says that, in 1990, mortgage interest payments will reach their highest level as a proportion of personal disposable income in more than 20 years, and that this factor will help to keep the housing market depressed for much of the year. On a more optimistic note, the report forecasts a fall in

mortgage rates in the run-up to the next general election and points out that demand from potential first-time buyers should increase as the number of 25/34-year-olds in the population rises. As a result, the report predicts prices rise of at least 10 per cent a year in 1991 and 1992. "House ownership will once again become an attractive investment," it says, adding that the increase in confidence will help to create a mini-housing boom. A separate report from the Halifax Building Society (which also forecasts a drop of up to 10 per cent in house prices in 1990) predicts that the south-east will recover before those in other parts of the country.

Sara Webb

THE SHARP fall in the London stock market which I envisaged at this time last year has been postponed, but the economic background has developed as I expected. The profits of companies which have income generated solely from UK activities have been badly hurt by the interest rate situation. But the constituents of the FTSE index have been supported by foreign earnings and the take-over syndrome. The main astrological influence on markets during 1990 will be the Saturn, Neptune and Uranus triple conjunction in Capricorn. The depressing effect of the first two planets can be seen already in the slowing economies of the US and Britain. Falling property prices in both countries, and increasing inflation, are the forerunners of recession. So far, the effects are mild, but history shows that our problems will not go away unless they become more intractable.

Daniel Pallant looks over the astrological portents for 1990 Triple chance



The possibility of a sell-off remains until January 19, following the new moon and moon/Saturn conjunction on December 28; but, thereafter, any bearishness will end. As spring approaches all prices will rise, giving a boost to sterling and fueling hopes of an interest rate fall. The third and fourth weeks of January look particularly bullish, as are the second and fourth weeks of February. An upward trend will be maintained up to March 26 when, after the ingress of Mercury into Aries with the sun, the market will encounter resistance and will then fall until July 2. The accompanying Astro-trend chart (which is based on a computer analysis of planetary and lunar support and resistance levels during the past three years) shows that the FTSE 100 index is at 2,250, and resistance at 2,325 until March. But that appears to be the best the market can do after that, the main trend is downwards. 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FINANCE & THE FAMILY

David Waller on shortened accounts
Some are more equal than others

IN ANY company there are two classes of shareholders: those in the know, and those in the dark. Those in the know are the handful of powerful fund managers; those in the dark are the massed ranks of uninformed, small shareholders.

The proposals are more likely to cloud, rather than enhance, understanding. The proposals are flawed both in detail and conception. An eccentric distinction between what information is deemed essential and what is merely desirable, and some curious omissions.

Not only does the scheme rest upon the assumption that small shareholders are un sophisticated - its implementation will do much to promote that lack of sophistication, encouraging apathy and ignorance.

The annual report ought to be a perfectly adequate medium for communicating with all types of shareholder. It would make more sense for the Government to scrap its plans and instead encourage companies to make their annual reports accessible, readable, and comprehensible.

Diary of a Private Investor

Disney shows the way

THIS YEAR seems to have been rather a dull one for my family's stock market investment. My wife's best results came from the takeover of her shares in Avdel by Textron Atlantic in February.

benefit from the special discount voucher scheme offered to Next shareholders. Earlier this year, when she went to use her voucher, she could not find any clothes she liked enough to buy - even with the 25 per cent discount.

on commercial property in the London area and the South generally had not been reflected adequately in the share prices of property companies. Therefore, I sold - at a very good profit - my shares in Dares Estates, Mowat Group, Priest Marjans and Wyndham Group.

more than doubled their money by buying Walt Disney shares in December 1987 and selling them last October. As she is now five years old, Kimberley's advice on investment has to be taken more seriously.

Kevin Goldstein-Jackson

'No-tax' bonus on profitable hobby

I HAVE a moderately valuable stamp collection, estimated to be worth over £20,000 at current catalogue values. It was acquired both by inheritance and by my own purchases between 1954 and 1980.

'Am I correct in assuming that articles of a personal or domestic nature, which attract CGT, are lumped-in with the tax due on share transactions? If this is so, is a capital loss of such combined transactions able to be carried forward?

Q&A BRIEFCASE

Repairs bill shock

Where to complain

INVESTING IN JAPAN
Japan has the strongest economy in the world. The Yen is likely to be one of the strongest currencies.

Gifts to a son abroad

Wills and ways...

Selling of shares

Record of donations

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Record of donations
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MINDING YOUR OWN BUSINESS

Roy Hodson looks at the track records of entrepreneurs whose hopes and fears he has chronicled during the year

Hard work is paying off for the class of '89

THE SYMBOL for small entrepreneurs in Britain should, it seems, be the humble kitchen table. I've been introduced to a good many of them in the 12 months since I began to chronicle the adventures of people minding their own businesses.

So often, the brave new enterprise started with thoughts and experiments at the kitchen table. Meg Dorman raised her first cakes on her table in Warwickshire before going on to sell them world-wide from her own small bakery. When I visited Kenneth and Jane Dean, who

had started the Slide Studio, their table had all but disappeared under a mass of computers and printers. Michael Bedford claims he had his idea of providing chauffeurs to order (Duty Driver) while sipping a drink at his kitchen table.

More than 100 people trying to make their way in the business world, usually with much more ingenuity than capital, have appeared on this page so far. I hope just as many will tell their stories during 1990. Meanwhile, here are how some of this year's crop have got on...

Driver has expanded from two to nine offices. We are on target for our £500,000 turnover in the current financial year and we expect to reach £1m turnover next year. Nearly half our franchises are being taken up by executives' wives who find it is a business they can run from home.

■■■■

BRIAN Marks and Alan Ashbee coped with redundancy a year ago by using their houses as collateral and funding their company - Universal Parking Systems of Swindon, Wiltshire - with £108,000. They were banking on local authorities buying sophisticated equipment to meet sophisticated requirements for car park barriers.

Marks says: "We ran into problems with all three of our standard product lines. The solar-powered meter launch had to be delayed until next year; the pay and display machine did not come up to our quality standard; and our German supplier had to change the design to meet British requirements for car park barriers."

"But the advantage of being small is that you can react fast to circumstances. We filled the gap by offering schemes for vehicle access to small private car parks." Their company has completed orders worth more than £130,000 and has work worth £80,000 in the pipeline. They are hoping to land a couple of £150,000 orders in 1990.

■■■■

I DESCRIBED Tim Coghlan, 41, as "shaken and stirred by misfortune" after hearing how he became a casualty during the wave of sackings in the City of London. He turned from stockbroking to the quieter waters of the English canals and, after a property transaction on an heroic scale, became the principal owner of the Braunston Marina on the Grand Union Canal.

He says now: "It was necessity that drove me down the road I have taken, not the relentless pursuit of fortune. That we seem to be succeeding is good. But that we are not falling is what really pleases me."

Coghlan entered the second-hand boat market in the summer and soon had 15 to sell



Phil Careless... he has expanded from ice-creams, hot dogs and afternoon teas to mountain bikes and a restaurant liquor licence

worth £200,000. He points out that commissions on them average 8 per cent - compared with 0.25 per cent on the Stock Exchange.

The company has won planning permission for houses and flats around the marina and will be developing them jointly with British Waterways and a local property company. It will also be allowed to build a canal-side pub - the Dry Dock Inn.

Times have changed, he says. These days, his rubbish bin is full of unsolicited offers to provide him with capital.

■■■■

MICHAEL Pearce, 37, was the envy of friends and colleagues from the moment he started

his own foreign exchange and interest rate advisory service at the beginning of 1989. Instead of commuting into the City every day, he set up his office in a "granny flat" attached to his farmhouse home in the village of Aldbury, Hertfordshire. He and wife Alexandra, who also used to work in the City, share a two-deck office with a fine view.

By charging companies £1,000 to make an initial study of their needs, plus a £550 monthly retainer if he works for them, he expected his turnover to reach £40,000 in his first year. "We have experienced special good fortune," he says. "Technology, economics and luck have converged and allowed Pearce Management Consultants to offer the right service at the right time to the right businesses."

"Over this period, our client list has grown four-fold and the average size of client has increased from a turnover of £1m to a turnover of £5m, although our fees have not improved by the same factor.

"To begin with, I targeted small companies as our market sector. But experience has shown that it is the medium-sized companies which are quick to recognise the benefits of the services. We have also been helped by a venture capital company which has promoted our services to businesses it invests in."

mother could take a full week's holiday in the West of Ireland. "We are refreshed and gladder than ever," says Anna. "After the first year, we feel we are on course with our long-term plans for the pub."

■■■■

DEEP IN a delectable Sussex valley, I came across 40-year-old Phil Careless and wife Jan working hard on their new business - the Stammer village store. He retired from the army as a warrant officer and they determined to turn the quiet little business into something that would be exciting and provide a good living.

The store is in Stammer Park, outside Brighton, and was soon exploiting the potential business from day-visitors by selling ice-cream from a trolley, setting up hot-dog stalls at events, and serving cold drinks and teas. They had a glorious summer, both for weather and turnover - which improved 63 per cent between May and November.

Careless has diversified into hiring mountain bikes for local riding as well as securing a restaurant liquor licence. "That," he says, "has transformed what was expected to be our worst winter month into the best, with 12 big bookings for office Christmas parties. Christmas Day this year was spent by us in the kitchen,



David Livermore... business has been better than expected

Tysoe. When I wrote about her in June, she had ambitions to expand her business (Meg Rivers Cakes) at a spending 50 per cent annually. She has followed a sensible business route since, implementing a marketing plan compiled for her by Tesonwork, a firm of consultants.

Her initiatives have included concentrating upon selling by mail order; changing to a more supportive (and less patronising) clearing bank; computerising her mailing list (and increasing it from 5,000 to 10,000); improving her sales literature; encouraging telephone ordering; and taking payment by credit cards over the phone. Her ovens are now working 12 hours a day and sales have doubled compared with a year ago.

■■■■

FED-UP with commuting between Sevenoaks in Kent and the City of London, Ken Dean, 41 - who has a background in engineering and a Ph.D. in computer-aided design - decided last year to join forces with wife Jane, also 41, and make presentation graphics, working from a table-top at their home.

Dean says, however: "We decided we had out-grown that after one memorable morning in the summer with me seeing a client in the lounge, a colleague meeting two more in the dining room, and my wife working on the kitchen table." They moved into small offices and have built up a client base of 153 companies.

As well as slides and folios, they are providing hardware, software and training to customers who want to produce images on their own computers. They had forecast sales worth £100,000 for the year to April 1989 but now expect to achieve £150,000.

Dean stresses, though, that it is very hard work. He says:

times has to keep going all night to complete an order.

■■■■

AS PROPRIETOR of The Bookshop, Bookshop in Kent, David Livermore, 37, clearly finds his congenial. The shop is all his own. He found the site (it was a wool shop) and opened it four years ago as a pleasant change from the pressures of publishing.

This year, he had expected to turn over about £130,000. But business was 10 per cent higher than expected in the summer and the Christmas trade also turned out better than anticipated.

He has been helped by his wholesaler opening a new and larger warehouse. "For a small shop like ours, the need to get the books that are selected by customers for Christmas present lists depends upon the capacity of the wholesaler," Livermore says.

■■■■

TAILORED software looks like having a big future now that modern micro-computers have so much power. Mike and Victoria Farrow, both 36, are providing specially-written software for businesses which don't want to have to rely upon the standard software packages on the market.

In July, the Farrowes - working from a small house in Margate as Chancel Business Systems - were hoping to generate business worth £150,000 over the next two years. Now, they say they still have that target - but it is getting easier to attain.

They have raised their fees (which appeared to be too low) and are installing modems into their clients' offices so they can "log on" to deal with specific inquiries without delay.

MICHAEL Bedford, 43, started Duty Driver in Twyford, Berkshire, with just a concept and a telephone. He wanted to provide reliable chauffeurs to companies and individuals, charging a flat rate (now £3.50 an hour) and sharing the fee with the drivers.

When we met last January,



Michael Bedford... his two offices have expanded to nine

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GENIE CHARTIST

Are you keeping up with the stock market? Do you miss the exciting buy signal on the 27th October? Do you miss the buy signal in the Dow Jones on 27th October? The Genie Chartist found these both a week first in individual analysis. It is also a day by day educational programme on the stock market and why it behaves the way it does.

Genie Systems Ltd, Unit 27/28, 17/18, 19/20, 21/22, 23/24, 25/26, 27/28, 29/30, 31/32, 33/34, 35/36, 37/38, 39/40, 41/42, 43/44, 45/46, 47/48, 49/50, 51/52, 53/54, 55/56, 57/58, 59/60, 61/62, 63/64, 65/66, 67/68, 69/70, 71/72, 73/74, 75/76, 77/78, 79/80, 81/82, 83/84, 85/86, 87/88, 89/90, 91/92, 93/94, 95/96, 97/98, 99/100, 101/102, 103/104, 105/106, 107/108, 109/110, 111/112, 113/114, 115/116, 117/118, 119/120, 121/122, 123/124, 125/126, 127/128, 129/130, 131/132, 133/134, 135/136, 137/138, 139/140, 141/142, 143/144, 145/146, 147/148, 149/150, 151/152, 153/154, 155/156, 157/158, 159/160, 161/162, 163/164, 165/166, 167/168, 169/170, 171/172, 173/174, 175/176, 177/178, 179/180, 181/182, 183/184, 185/186, 187/188, 189/190, 191/192, 193/194, 195/196, 197/198, 199/200, 201/202, 203/204, 205/206, 207/208, 209/210, 211/212, 213/214, 215/216, 217/218, 219/220, 221/222, 223/224, 225/226, 227/228, 229/230, 231/232, 233/234, 235/236, 237/238, 239/240, 241/242, 243/244, 245/246, 247/248, 249/250, 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DIVERSIONS

I too had a farm in Africa. Not in the Ngorongoro Hills, but further south on a similar escarpment with a breath-taking view. I was happy there. Very happy, indeed, until my divided heritage caught up with me...

The pictures on the walls were Flemish, of windmills and boats on the North Sea. And the flowers that framed our windows were always roses, a hemisphere away from their natural habitats...

I have a particular fondness for vultures. This began when I was six, the year my grandfather died. There seems, in most families, to be a special bond that skips a generation...



PLANET EARTH



The homecoming of a white African

Lyall Watson recalls growing up and learning to understand his heritage

out of both box and suit, carried him up to his favourite hill and left him there propped up against a rock. And on the day of the funeral, she had watched with scarcely-concealed amusement as the coffin, filled with stones and old newspapers...

So, at the age of six, with my own totem and direct access to an ancestor, I had already become the more African than I realised. The next vital step came a year later with the end of the war, the return of my father from the Royal Air Force...

an unfamiliar uniform and sent unwillingly to school. Having already taught myself to read, I was years ahead of my age group and learned nothing but contempt for formal education.

We never knew where he came from. One day he just turned up and moved in, taking over the chores of cooking and cleaning for the family. My parents accepted him at face value, as a black servant, a little older than was usual...

But, whatever else he may have been, he was first and foremost a Zulu. And not just any Zulu, but a man of royal blood, a direct descendant of the great chief Cetshwayo and the son and grandson of a priest-king. His real name was Sokhela...

Sokhela soon ruled the house. We ate what he thought was good for us. We lived on wooden floors that were polished until they shone like mirrors and suffered his wrath if we dared walk on them with muddy shoes.

he made us his tribe and made sure that I, as the eldest son, learned where my duties lay.

He taught me Zulu. Not the polyglot concoction which most whites pick up reluctantly and blacks rightly dismiss as "kitchen kaffir," but the classic tongue with all its style and dignity.

I loved that old man. For me he was the embodiment of Africa. I was never happier than when listening to him sing the praises of the great Zulu heroes or telling, once again, the simple stories of the lion and the jackal, or how the tortoise fooled the monkeys.

Sokhela carried me, effortlessly, across the racial and cultural divide. He let me see that the world was more complex than my other teachers would ever allow. He opened my eyes to the magic around me, offering alternative views of the narrow realities I was being dealt elsewhere.

None of our family went to the funeral. It was well attended, but a purely Zulu affair. I was never able to mourn him properly and felt his loss like a wound that would not heal. It stayed that way for almost 30 years.

It was an unforgettable evening. I felt invincible. I abandoned a prepared lecture and launched instead into a discussion of health and healing and the value of tribal and traditional medicine.

black man with grey hair and sparkling eyes, who loomed large over my right shoulder wearing the beads and feathers of a Zulu sangoma, looking immensely proud and laughing and laughing with obvious pleasure as I held the audience in the palm of my hand.

Sokhela died when I was ten and shortly afterwards we moved to Namibia, where my father had been asked to design a bank in the capital, Windhoek.

From the moment we arrived there, I felt very much at home. Even the names seemed familiar. Okahandja, Omaruru, Usakos and Otjara - talking the words from the tongue. We lived in a house on a hill, designed by my father to blend in with the nineteenth-century castle of our nearest neighbours.

And it was there that I took to a routine that has since become a way of life. Rising before the dawn to have the pots from the toogoe. We lived in a house on a hill, designed by my father to blend in with the nineteenth-century castle of our nearest neighbours.

Namibia, strictly speaking, is a desert, but that stark west conoids astounding riches. The plant cover is indeed sparse, laying bare the bones of geological time and making it easy to read the history of the land.

On first acquaintance, the desert seems easy to read. It is a candid place, revealing rather than concealing, clean, stark, bold, forthright, the sort of place whose obvious honesty lends itself to easy contemplation.

Coming from Johannesburg to Windhoek was cathartic. Even at the age of ten I felt liberated, was conscious of a weight being lifted from my shoulders. From the moment I took to the Namibia hills, I understood the lessons my old Sokhela had been trying to teach me.

It still feels that way. This is extracted from "Roots and Routes in Africa" by Lyall Watson, originally published in Esquire Magazine. Japan. Lyall Watson's new book, The Nature of Things, will be published by Hodder and Stoughton next April. Copyright Lyall Watson

SOUTHWARK HAS just produced another major addition to the history of London: a well-preserved, oak-timbered Roman wharf at Guy's Hospital, London Bridge, on the east side of the Thames. It is between 1,500 and 1,900 years old and 10 metres long and its discovery is a further triumph for the Museum of London's Department of Greater London Archaeology (DGLA).

The threat to finding London's history

work? Simon Hughes, SLD MP for Southwark and Bermondsey, has said that "EH's announcement that it will fund London archaeology is a 'quango bidding for more authority'". EH maintains that the number of expensive digs needs to be reduced, developers' costs need to be cut, and crises such as happened at the Rose Theatre this past summer must be avoided.

Archaeology is the only way force buildings to go higher to achieve the same site density, which planners will not want. London's archaeology is the envy of the rest of Europe. At present, the usual pattern is digging and recording, followed by bulldozers and building.

Exposing them and then covering them with preservatives, however up to date, is not the answer as even the most modern methods do not stop deterioration - as happened at the Rose. In 1988 the GLC set up and started paying for the Greater London Archaeological Service (GLAS) which the Museum of London's DGLA runs for 27 of the 32 Boroughs, with responsibility for carrying out the rescue work, and the Passmore Edwards museum does for the other five.



The Roman wharf at Guy's Hospital (GLC grant) and £200,000 as grant aid for projects. The developers paid the bulk of the money.

acquires only by working in one place for a long time, and which are what borough planners value most. But the main charge against EH is that the overall view will disappear and London's archaeology will suffer. The Museum diggers would welcome some outsiders, but stand firm that the prime responsibility should stay at its natural home, London's own museum and archaeological research centre.

it or leave it, this was not negotiable - until the actors (unprompted) made such an uproar that Imry began to negotiate. Then came the rows between EH and the Museum of London. Eventually EH stopped the dig at an "archaeological and illogical point" says Martin Biddle, in the latest issue of Antiquity. Many questions are unanswered, especially how the stage and the trap doors worked.

MOTORING/GARDENING

The '90s: a decade for going Green

Stuart Marshall foresees some dramatic changes in car design over the next 10 years

LOOKING AT what lies ahead for motoring in 1990 is quite easy. It will be more of what we had in 1989. But trying to forecast what the next decade will bring is more difficult.

So far, give or take a couple of hiccoughs caused by oil crises in the past 20 years, the growth of private car usage in the post-Second World War era has, apparently, been unstoppable. Can it continue throughout the '90s?

The car-makers investing vast sums to improve products that are astonishingly good already, seem to think so. New roads are being built and still more are planned, although it seems unlikely that construction can ever keep pace with demand.

traffic will be up by at least 17 per cent, perhaps by as much as 80. If you think congestion is bad now, just wait another decade.

Yet, all the forecasts of continuing growth in car numbers and usage must be seen against a background of the growing Green movement. I use the term in a wide sense, to mean a general desire to reduce atmospheric pollution and protect the global environment without having to give up things that make late-20th century life comfortable.

Unquestionably, the motor car has become much cleaner in recent years. Today's engine technology means a new vehicle puts less than half as much

into the atmosphere as it would have 15 years ago. And with the increasing use of exhaust catalysers, engines will be cleaner still by the early 1990s.

The uncomfortable fact, though, is that the cleanest catalyser car still produces carbon dioxide in amounts related directly to the quantity of fuel it burns. So, with government, opposition and pressure groups of all kinds trying to out-do one another in their greenness, it seems to me that the '90s will put fuel economy high on the agenda once more.

Potentially, this could have a profound effect on both the cars of the next decade and the way we drive them. Those that in past years have steadily been getting

larger with each model change may have to become smaller, lighter and more fuel-efficient instead.

Nowhere in Europe are unrestricted speeds allowed any more except on many - although not all - stretches of the West German autobahn network. Yet, virtually every car made today is capable of exceeding legally permitted speeds by a wide margin.

Broadly, the faster a car is driven, the more fuel it consumes and the more atmospheric pollution it creates. When the Greens made this point in Germany in the mid-1980s, the local car industry fell over itself to agree to the compulsory introduction of exhaust catalysers in advance of

any general requirement to have them in the European Community.

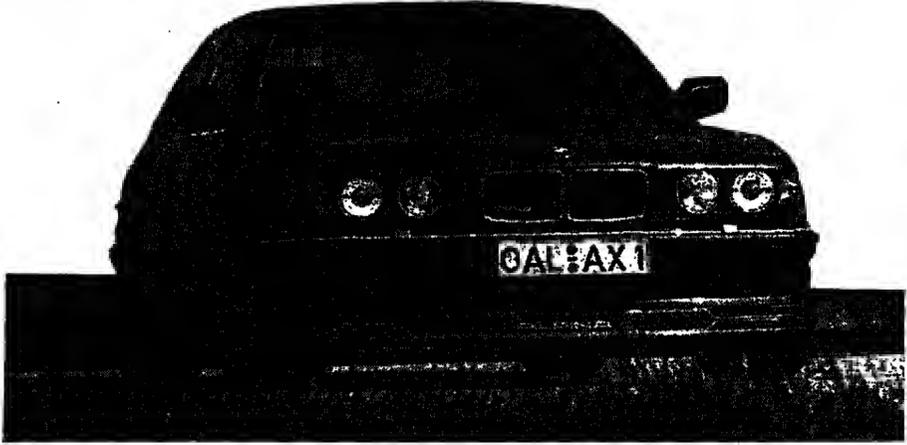
So, the freedom to drive as fast as you can on the autobahn remains - but for how much longer? Optimists among the German car-makers say five years; pessimists say three. And when the autobahn is speed-limited - probably to 130 kmh (about 80 mph) at most - in the interests of environmental protection, the effect on car design could be dramatic.

At the moment, the excuse for making cars capable of 130 mph (210 kmh) and over is that buyers can, if they wish, drive them at that speed in Germany. Once that possibility is removed, what is the point? Of course, a high maximum speed is a

reflection of the modern car's excellent aerodynamics and economically high gearing as well as sheer engine power. In Japan, where the maximum speed limit is 100 kmh (62 mph), the large-engined, high-performance car is alive and well and becoming increasingly popular.

But even if its owner is prepared to risk a fine like the national debt, it cannot be driven at more than 180 kmh (112 mph). If he tries, the electronic fuel-injection system cuts out. Acceleration is unaffected, only the top speed is curbed.

Might it happen in Europe? I think so. Already, BMW and Mercedes have agreed unofficially to limit the speed of their fastest models - although only to 166 mph (268 kmh) - by such a device. Obviously, politicians already are talking about pollution taxes on all equipment that burns fossil fuel, from power station boilers to car engines. Is time running out for 160-mph engines and very high-performance cars in Europe? We could get the first indications in 1990 that it is.



Surely the ultimate BMW

IF THE BMW is the ultimate driving machine, what is the ultimate BMW? It has to be the Alpina B12 5.0.

Calling an Alpina a BMW was not best advice. Bernd Rover, founder of a small Bavarian company that makes a few hundred cars a year based on BMW components. "I am," he once told me, "a manufacturer, not a tuner or converter. A small car, maybe, but still a manufacturer."

The B12 (pictured) is his latest effort. It is a 750i saloon, with the output of its five-litre, V-12 engine raised from the normal 300 to 350 horsepower. Its torque (pulling power) has also been increased slightly.

The power boost has not been achieved simply by polishing-up the cylinder head but by changing the electronic engine management system

and using lighter pistons and new camshafts. A special stainless steel exhaust system incorporates the Alpina's own design, three-way catalytic converter and the B12 runs only on unleaded petrol.

Modifications to the four-speed automatic transmission make shifts even less perceptible. The "sport" mode is sportier and the "economy" mode becomes a little closer to "sport" than in a standard 750i. The steering has been firm-up and three different suspension settings are offered to suit a driver's tastes.

Standard BMW sports suspension was fitted to the B12 I drove for a few days recently. Alpina and Michelin worked together closely to achieve the most harmonious balance between the ultra-low profile MXX tyres and the

suspension. The result has proved outstandingly successful because the B12 combines the nervously obedient responses of a super-sports car with something close to the ride comfort and urbanity of a chairman's limousine.

A traction control system ensures that a prod on the accelerator does not unsettle the massive Michelin on low-grip surfaces. The Alpina bypasses the 165 mph (266 kmh) speed governor and claims a 171 mph (275 kmh) maximum.

Why offer even more performance when the peg BMWs, from the least expensive 518i to the 750i, are renowned for their pace and acceleration? "The appetite grows with the eating," replied Rover, a man who clearly is no stranger to the pleasures of the table.

Stuart Marshall

Gardening

Designs on change

Arthur Hellyer on lessons for future landscapers

IS THERE a quiet revolution taking place in the gardening world that hardly anyone has yet noticed; a change in facilities that could have as far-reaching and unexpectedly desirable results as the advent of garden centres 30 years ago?

If so, it is due to the enthusiasm and desire to succeed of the many hundreds (perhaps thousands, for I have no reliable figures to guide me) of eager young students passing through the ever-increasing number of colleges, institutions and privately-owned schools with courses in garden design. They do not think that their talents are being used

adequately - and they are almost certainly correct. It is very different in the US; but then, in matters concerning gardening, things always have been very different over there. For one thing, Americans have a lot more money to spend than people in the UK. For another, they are much

less confident of their own unaided ability to create gardens, whereas the British have been doing their own thing for centuries. Even the great landowners and wealthy industrialists who spent fortunes on making what are now world-famous gardens have usually masterminded much of the work themselves and have been prepared to instruct, contradict and interfere generally with any professional landscape designers they engaged.

In Britain, there are probably around 500,000 gardeners with enough knowledge to make their own gardens to suit their own requirements with no more than expert advice on technical matters. Yet, the techniques of garden-making are diversifying so rapidly that, even in this limited field, there must be a lot of scope for help from highly trained and imaginative professionals. There could be another 500,000 home-owners with sufficient faith in their own skills to tackle their own garden-making with the help of contractors, but most of these would do better with personal plans provided by well-trained designers.

That leaves millions more whose only interest in their gardens is that they should look smart, be easy to maintain and add to the value of the properties overall. Undoubtedly, this huge section of the populace needs good design advice beyond what is usually



available from contractors whose special skills concern such basic matters as making paths, turfing or sowing lawns, and carrying out simple foundation planting.

Then, there are the builders themselves, anxious to sell their new houses but finding that increasingly difficult in what has become a buyers' market. There is no doubt that a house with a well-planned garden is easier to sell than one where the garden lacks character and charm, or even does not exist. Virtually all new building estates have a few demonstration houses furnished in various popular styles and a few also have demonstration gardens as well, but this expertise could be carried a lot further.

What the young designers are saying is that both builders and the public should be much more aware of the services that are available, and of the financial and amenity benefits that would result from making better use of them.

Best bets for when the heat is on

Robin Lane Fox picks winners for a searing summer

EVEN IN early April you would never have guessed it: there were daffodils by the thousand, a few mid ground frosts and the backwash of a week's rain which had washed out my first attempts at hedge-planting.

We were capping each other's stories of flowers out of season: dotty delphiniums to see in the new year, crazy roses and a scattering of violas which had flowered all winter and were still in good heart for the run-up to Easter. The odds were in favour of a mild, wet summer, a bit like 1988, when swimming pools turned green with algae and gardeners wore the only smiles among the sun-baked British public.

At the time, it did not seem too risky to be planting pot-grown yew and box. I remember a mild afternoon when the white cherry blossom had opened a few weeks early and we dug in pig manure all day before planting the last of the long line of yews: they looked neat, dark green and highly promising, a barrier for the late 1990s which would put other conifers to shame. From that day on it rained four times before autumn, the longest and most testing drought since 1976.

Everything came out in a rush; by the second week of July, gardens were in serious trouble; the grass turned miserable brown, phloxes hated it and borders were reduced to a tangle of dead stems. In August, trees were struggling for water and starting to change colour, but the wind and rain were then so slight that most of them kept their leaves into November. Only now has the water balance begun to be corrected.

What should we file in our memories after this horrible summer? For me, 1989 was the year when I discovered Viburnum Hillier, which I saw in full flower on a hot afternoon in two great Gloucestershire gardens. It is plainly a shrub for all of us, a pleasantly spreading bush to a height of about 8 ft, which is set with creamy yellow flowers in July. From this memory, I jump two months to autumn's hardy weather which they know at home. Libyan and east Turkish cyclamen flowers, freely in captivity; the charming Greek cyclamen had its best year ever, and I retain the image of a long hedge of clipped green Thuja in Hampshire which had been underplanted with pink and white Neapolitan cyclamen in the gap between its base and the edge of the lawn.

The cyclamen were flowering by the hundred; they are ideal plants for those "impossible" places: among tree roots, below hedges and wherever the soil is dry and partly-shaded. This year was a reminder that will cyclamen will grow when just about everything else packs up.

Of the trees, limes and catalpas flowered as if they were banking in southern France; we had wisps of yellow flower on a young Golden Rain Tree (Koeluteria) and masses of purple-blue flowers like foxgloves on the Paulownias, although their big green leaves were browned at the edges. The year showed off the Paulownia as a marvellous tree for the warmer counties on a lime soil.

In a colder area, I was always glad of a much hardier tree, the silver-leaved Eleanora Angustifolia, which had been planted in a carefully-chosen front garden and kept its silver-grey lustre throughout the summer. This tough tree grows quickly to 12ft or more and deserves a much wider public, as it is almost indestructible.

Sun-loving herb plants flowered profusely but could not hold their flowers for much more than a week. Alstromerias were over in one burst of splendour; cistus dropped their petals too quickly; even

Chess

Jonathan Speelman's world quarter-final victory over Nigel Short, with a line-up in the USSR championship only a few days earlier, made a profound impact on GM opinion, as did Speelman's later success against Jan Timman where he revived the discredited defence 1 e4 e5 2 Nf3 Nc3 3 Bc4 Nf7.

Informator's comments take the form of figurine symbols with a code key in nine languages to explain their meaning. In each issue, a panel of GMs chooses the best games and the most important theoretical novelties from the previous volume. There are sections on FIDE news, tactical finishes and endgames.

In many ways, Informator and ChessBase represent a kind of theoretical establishment, a consensus of accepted hypotheses on opening play. The body of knowledge is so extensive that it looks increasingly attractive to opt out. An alternative, non-conformist society is represented by off-beat openings like 1 d4 Nf5 2 Bg5, 1 e4 e5 2 Bc4, defences like 1... b6, and various all-purpose formations to achieve a reasonable middle game without disaster.

Such an approach reduces the time needed for pre-game homework to a more acceptable level, but it does represent a handicap. The book-up expert's knowledge will harvest the occasional pre-planned, effort-saving win and the more frequent easy draw, while the non-theoretical player will often lose the initiative or find himself under early pressure.

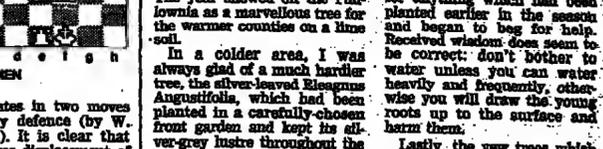
Informator comments, like all opening references, are rarely gospel. Some contributors do a painstaking job, others dash through a game with a few scattered symbols of praise or criticism. It is not unknown for a GM to plant a trap for rivals through his annotations, giving some long analysis purporting to show how Black stands better - then waiting his chance to spring a refutation from the White side of the board.

For many Informator readers who are not professional matters, the journal still provides a stimulus for new ideas. Playing through the games and notes improves the instinct for far-reaching strong moves. And as shown in this week's game (won against a world semi-finalist), it can highlight how to refute natural play: Black's position is already near-lost after he omits Nc7 at move 7 or 8.

White: E. Geller. Black: A. Yusupov. Petroff Defence (USSR championship 1959). 1 e4 e5 2 Nf3 Nc3 3 d4 Nxd4 4 Bc4 d5 5 Nxe5 Bc6 6 Nc3 Nxd3 7 h3 8 Q-O-O 9 O-O e7 9 Qh5 f5 10 Bg5 Qe7 11 Qc3 Be6 12 Bf1 c4 13 Bf1 Re8 14 Nxc4 Bxh2+.

If dxc4 15 Bxc6 Bxc6 16 Qd5 followed by Bxh2 was Qd5 15 Kh1 Nd7 16 Ne5 Bde 17 Nxd5 Qc8 18 c4 Kh8 19 Re3 Nf5 20 Bae1 b5 21 cxb5 Qc2 22 Ne7 Bxe7 23 Bxe7 Bxd2 24 Bc3

PROBLEM No. 804



White mates in two moves against any defence (by W. Isler, 1961). It is clear that White involves displacement of White's bishop and e4 knight to create discovered check; but to which of many possible squares should the bishop and knight go, and in what order? Thus, the problem is less simple than it seems.

Solution page XIX. Leonard Barden

MOTOR CARS

Advertisement for Dick Lovett, a car dealer. It lists various car models and prices, including a 1989 Ford Fiesta, a 1989 Ford Escort, and a 1989 Ford Focus. The contact information is SWINDON, Telephone: 0793 615000.

ART GALLERIES

Advertisement for Art Galleries, featuring a list of art exhibitions and galleries. It includes details about various art works and the names of the galleries.

Advertisement for a book published by the Financial Times, titled 'The Financial Times proposes to publish this survey on: 28th February 1990'.

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Advertisement for Neville Woodcock, a travel agent. It promotes services for transport links with the continent, including flights and travel packages. The contact information is NEVILLE WOODCOCK on 01-873 3365.

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PROPERTY

A long hard road to recovery

After the Crash of '89, John Brennan sees signs of a gradual improvement

GIVEN THE choice, most property people would leave the year 1989 out of polite conversation. There are now, in any event, fewer of them to chat to than there were. Sales volumes down by 40 per cent or more in parts of the UK have forced a slash-out of estate agency staff and a quiet but steady rate of sales office closures.

At this time last year there was a chorus of complaint from the agency world that reports of a property market "crash" over-dramatised the situation. At the top of the market there was still buying competition for £1m-plus town houses and £500,000-plus country houses. The mid-market in the south of Britain was already log-jammed. Prospective buyers shied away from loan commitments with (at that time) 15 per cent financing costs and from prices of existing owners refusing to accept that price levels in the early summer of 1988 had been the surf on a five-year-long swell of values. In the midlands and the north agents were battling through one of their busiest selling periods for years, with local prices still catching up on the growth seen in the south.

Down-market, however, first-time buyers were rare. Best estimates were that the race to buy before the autumn 1989 deadline for an end to multiple mortgage tax relief on jointly-purchased properties had absorbed a couple of years of normal demand. At the start of 1989 those first-timers who had not committed themselves to buy three months before had been priced out of the market by rising loan rates.

Twelve months on, what is the state of the UK residential market? Has it crashed, or is it still ticking over and ready to move back into gear?

The year 1989 comes nearest to justifying its "crash" status in volume terms. More than 2m homes were traded in 1988. Last year's final total is unlikely even to approach 1.7m. Most of this slow-down can be traced back to the loan rate rises which squeezed first-time buyers out of the market and, in turn, kicked away the resale option for existing owners trying to trade up.

The relationship between rate rises and affordability has been underlined by the speed of those rises. Anyone able to afford £500k mortgages and repayments in August 1988, when loan rates were 9.5 per cent, could have raised around £63,000 without savings. At today's rates that £500 would cover a purchase price of under £30,000. That is a 38 per cent drop in buying power in under 16 months.

Against that background, the slow-down in sales volume tends to mask the true extent of the fall in the market value of properties. Ignoring home-owners' bullish asking prices - which many prospective purchasers have been

doing - the latest figures from The Halifax House Price Index confirm that average achieved sale prices started to fall this autumn. In previous housing market dips, in 1973/75, and again in 1979/81, property prices rose at a slower rate than the general rate of inflation. But they did not go into reverse - as they have in 1989.

Even the averages mask the reality of this reverse. Anyone who has been either trying to sell a property, or has been struggling with suddenly obese mortgage repayments, will be sceptical of averages which smooth the harsh truth of individual price cuts of 15 per cent or more from 1988 values in order to achieve a sale. The averages will also raise only a wry smile from house-builders and developers who have been forced to accept cuts of 20 per cent or more on any 1989 priced sale value to have any hope of turning site visitors into buyers, whether through overt cuts and incentives, or through "soft" subsidised loan arrangements.

least as high as in 1988. New record prices have been achieved on the sale of major town houses in west central London. But, at the same time, crippling bank financing costs have forced the late-1980s generation of individual speculative residential developers to sell for speed, not price.

The real test of whether 1989 was the year in which the housing market crashed, or if it was no more than an uncomfortable emergency stop, is, of course, what happens next.

The Halifax building society denies that the events of the past 12 or 18 months have undermined buyers' long-term confidence in housing. It discounts suggestions that owner-occupiers in the UK is at or near its peak, and that housing is no longer felt to be a good investment. A recent report said: "We do not agree with the more pessimistic commentators on the housing market. We believe that they are excessively influenced by the short-term problems that the market is facing."

Mark Bolcut, director-general of the Building Societies Association, that the summer of 1988 was the peak of the last price rise cycle. Now, the Morgan Grenfell team looks to a two-point cut in loan rates as the trigger for a resurgence of buying activity. On their analysis, the coming few months should mark the bottom of this stage of the housing market, with prices in west central and suburban London, and in parts of the Home Counties, bouncing back up before the year is out.

One of the most comprehensive of all residential market analyses, the 1989 edition of James Morrell's forecasts for the Charterhouse Group, balances the influences of the country's changing age and household profiles against housing supply and funding costs to bring prices back on to a long-term (1987) upward trend, averaging 8.4 per cent a year. Morrell shares the Halifax's view of a further average price fall in 1990; a recovery to around 7 per cent growth in 1991; and a brief surge taking prices up by 12 per cent in the following year.

As for the agents, 1989 has been too traumatic a year for most to risk starting the 1990s on anything but a cautious note. Most share the "2 per cent loan rate trigger" theory. This suggests that confidence will return once it is generally accepted that loan rates are not going to rise further, but that it will take a cut of a couple of points on those rates to trigger any significant revival of buying activity.

Although the high level of visitor rates to new homes developments throughout 1989 does suggest that this trigger could release a mass of currently frustrated buying demand virtually overnight, few agents will risk ending the 80s on a bullish note.

Winkworths, now reporting price rises for quality London homes against falls of over 20 per cent for cheaper properties, believes that values are back to mid-1987 levels as vendors become more realistic about asking prices. Looking ahead, "the idea of property as a short term investment has been deflated, and it will be a long time before we see the same level of buying and selling as we say in the mid-80s."

Bruce MacIntock, managing director of Royal Life Estates, south, has "good reasons to feel cautiously optimistic about 1990". His branches are all reporting unusually brisk trade in what is traditionally a quiet time of the year. He reports "increasing confidence that mortgage rates will not rise further," which has brought first-timers back into the market as prices stabilise.

Twelve months ago this column led off with the headline, "1988: a year for bargain-hunting." A comment from the Halifax sums up the market on the edge of the 1990: "The time left for 'bargain-hunters' may be limited."

House facts

How many?
There are 22.7m houses and flats in Britain for 57m people arranged in 21.5m households. There are now 214,000 more homes than at the end of 1988 after 230,000 completions and around 20,000 demolitions. New building starts this year are expected to fall to around 155,000.

Who owns, who rents, who doesn't?
There are 14.8m owner-occupiers accounting for 68.5 per cent of the housing stock, with a total capital value of £970bn. Public sector housing accounts for 24.6 per cent of all homes, private rentals 7 per cent, housing association properties 2.6 per cent.

The number of homeless people varies according to statistical model,

from 70,000 to well in excess of 250,000, including the unrecorded "hidden" homeless and itinerant population.

How much?
The national average house price is £81,000, ranging from £85,000-plus in Greater London to under £30,000 in Northern Ireland. The average outstanding mortgage is £21,300, ranging from £20,500 to Greater London to just £19,200 to Wales.

The average new mortgage is £43,100 nationally, and more than £60,000 in Greater London. Outstanding home loans add up to £230bn. Mortgage tax relief, paid on interest for loans up to £30,000 and unchanged since 1963, costs taxpayers £7bn a year.

In contrast to the deterrent effect of high mortgage rates down-market, high interest rates have a tendency to make the rich richer. Rates pitched too high and held for too long risk a counter-reaction of nervous about corporate profitability and the dangers of crushing inflation at the cost of a recession. But in 1989 at least, both the seriously internationally wealthy and their domestic equivalents have been almost as active as ever in the housing market.

Competition for the best-quality country estates has been keen. There have been fewer quality country houses available as discretionary buyers have held back for better times ahead, but there have been plenty of cash buyers for the better properties at prices at

The Halifax expects continued strong buying demand for homes, with the owner-occupation rate rising from today's 68.5 per cent to 75 per cent by the end of the 1990s. As for prices, the society forecasts a continuation of the 1988 trend into 1990, with average UK house prices falling by as much as 10 per cent year-on-year. It expects London and the south east to recover, possibly by the year-end, possibly by spring 1991, depending on the timing of interest rate cuts. Beyond that, it expects the recovery to become stronger in 1991, leading to a mild boom in 1992.

Morgan Grenfell's economic forecasters were among the first of the City analysts to echo and amplify the view (unfashionably reported in this column)



A trailblazer from Mitsui

A PICTURE of the future... Naoshi Onizawa, vice president of Mitsui Construction, with John Topping, chairman of Taylor Woodrow Property Company, turn the first sods on the five-acre St Mary Abbots Hospital site in Kensington, west London. Taylor Woodrow paid the North Thames Regional Health Authority £47m - a heavy £9.38m an

acre - for the land in April. Planning for this site - plus the adjoining four acres to be released when the existing hospital moves on completion of the 600-bed Westminster and Chelsea St. Stephen's Hospital - provides for 300-plus houses and flats on what will be the largest private residential estate in Kensington for generations. Site clearance work is under

way on the first phase of 45 houses and 120 flats, marketing for which will start in the spring. Four-bed houses from £850,000 and one-bed flats from £190,000 help explain a first-phase completion value estimated at £135m. The prices also reflect Taylor Woodrow's confidence in the site, but it is Mitsui's involvement that provides the most intriguing pointer for the 1990s.

Japanese real estate investment overseas has followed the same pattern from Hawaii to the US West Coast, from New York to Sydney and, since the mid-1980s, in London. In each case, construction subsidiaries of the big Japanese trading houses have carried out exhaustive research leading to a project partnership with an established contractor/developer with a good local reputation. Independent developments funded direct from Japan follow, if that partnership works out.

It's a protected route along the learning curve for each side of the market, and when the resultant information supports the case for long-term investment it clears the path for the Japanese insurance companies and pension funds to seek out the prime "landmark" properties in that market.

After an initially shaky start because of problems in making international comparisons on the lateral yields - the real returns - that can be achieved on an investment on British buildings, the UK commercial property market now has passed these tests. In the past two years Japanese institutional investors have ticked off a good number of the landmark buildings on their UK shopping list. In contrast, yen finance has been a rarity in the residential market so far.

The joint agreement with Mitsui, which follows form to that it is through its local construction subsidiary, Mitsui Kensetsu (UK), is the largest single Japanese investment in UK residential property to date. If the international pattern runs true to form, this £50m-plus share of the Kensington estate's site and development costs is likely to be recognised as the trailblazer for direct yen-funded investment in the UK residential market.

John Brennan

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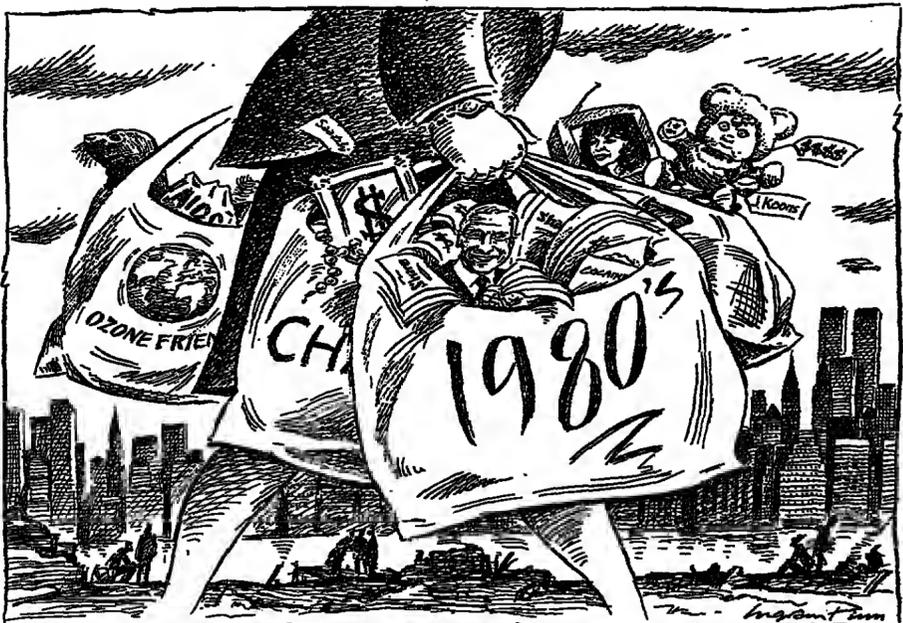
The best of all possible worlds?

By Alice Rawsthorn

THE STORY so far... Candide is a young adventurer of sound judgment and unaffected simplicity who is searching for Pangloss, the metaphysico-theologo-cosmolonigologist who had been his tutor...

CANDIDE looked up to see the familiar skyline looming before him. The skyscrapers glowed gold in the sunlight. Traffic choked the streets. Helicopters hovered from tower to tower. Manhattan looked like a fantastical fairytale. It was plusher and even more prosperous than when Candide last saw it 10 years earlier...

great man for so many things to be named after him. "Oh no," said the doorman. "Mr Trump is in real estate." The doorman's voice was strangely familiar. Candide looked up and beneath the braided uniform he recognised his old tutor, "Pangloss!" he cried. "Can this be my beloved master in such a shocking state? What misfortune has befallen you for the greatest metaphysico-theologo-cosmolonigologist of our age to be working as a doorman in such a place?"



had once thought a masterpiece of nature. Candide proffered a \$10 bill and Cunégonde's story tumbled out. Things had gone swimmingly in the early 1980s when she went to work for a man called Ivan in his penthouse suite on Fifth Avenue. Ivan did deals - or, rather, he pretended to. People, all sorts of people, telephoned to tell him companies were going to be taken over. He bought shares before the news broke and then sold them at a profit.

"How terrible," said the young adventurer, thinking of all the misery Ivan had caused. "What has become of the best of all worlds?" "What is so terrible?" snapped Cunégonde. "Ivan got greedy. And greed is good. He told me so. Or maybe I heard it in a movie."

with charge card bills she could not pay and a cocaine habit she could no longer afford. She had hocked the last Louis Vuitton luggage and now spent her days in the Wall Street gutter with the other bull market babies, hoping a new deal would come along.

her to come away with him - to leave the life of the Wall Street gutter - but she refused. A new deal, she was sure, was just around the corner. Besides, Ivan would be out soon. But she did have news of Cunégonde, once Candide's loyal companion. He was living in a loft in SoHo for another \$10, she could provide the address. The young adventurer duly proffered another bill. At the loft, he rang the bell. A familiar figure appeared. It started with those Jeff Koons stainless steel rabbits and then those porcelain statues of Michael and Bubbles. "Candide, my man!" he cried. Candide's spirits lifted: a welcome at last. Pangloss was so right. All was, after all, for the best in the best of all worlds. Candide ushered him up. The loft smelt of fresh paint. Everything was white except for a pile of multi-black gaudy and gaudy garments tossed into a corner. Candide scratched his crystal. "Black is out. White is in," he said. "I have had it with materialism."

The decline of a mighty king

Peter Knight discovers why the salmon has become another common commodity

IN THE 24-hour bagel bakery at the golden end of Brick Lane in London's run-down East End, labourers and taxi drivers munch on slivers of delectated smoked salmon. At Waterloo railway station, free slices are thrust on you by tartan-clad salesgirls, complete with a brochure on how to seal the fish to relatives and friends anywhere in the world. "Wee Treat" - that's 10 ounces - of Lochinvar smoked Scottish salmon packed and despatched to, say, Rome, will cost a mere £17.45. The salmon is King of Fish. How the king has fallen. The King used to travel on his own steam, power his way from feeding grounds off Canada, home back to the Scottish river in which he was born and then, with enormous sweeps of his tail, fly high over roaring rapids to calmer waters to sow his seed. Salmon still fly, but now it's by jumbo jet and he is chilled, sliced and interleaved. A Wee Treat. Down on the rugged coastlines of Scotland and Norway, nearly every suitable loch and fiord has an offshore construction that looks like massive baskets connected by walkways. The baskets are nets that hang deep in the water. In the nets are thousands of salmon. The King still swims, but he does it very carefully because there are thousands just like him who occupy a space rather more confined than the Atlantic. The truth is that the King of Fish has become nothing more than a battery hen. He is fed a good diet to encourage fast growth. Synthetic colour is added to his food to give him that authentic pink colour. He

is looked after by medical experts who occasionally dip him in special chemicals to get rid of parasites. He is vaccinated just like a child, or a chicken for that matter. He is protected from greedy seals by double nets and guards with guns. And then, after about 18 months in the sea, the King is given the chop and sent to Brick Lane to feed tired taxi drivers. Maybe, if he's lucky, he'll end up tied with a bow of seaweed to a little block of glutinous rice in a Tokyo sushi bar. A meal, but certainly not a fate, fit for a king. This great fish has become another common commodity. That was probably inevitable. But what is especially irritating is the way the block of farmed fish meat is dressed up as something special by marketers who want to extract the highest premium from a public led to believe that salmon is still king. Take this example of marketing from the Lochinvar brochure: "Drawn from the wild waters of Scotland's Atlantic Coast, only the finest salmon are taken for Lochinvar." Drawn? Taken? Wild? You could be excused for believing that you are about to eat a wild Atlantic salmon. In fact, you will eat a fish that has spent most of its life in a cage, supervised by a company owned by Unilever. Salmon have always elicited strong feelings of greed, envy and excitement. These emotions still run high, but now they are directed at the salmon farmer rather than the interfering environmentalist who complains about the chemicals used, the pollution, the

unsightliness of the farming equipment and the seals and birds which are shot in their attempt to plunder the nets. Scottish farmers accuse their Norwegian counterparts of ruining the market by "dumping" salmon on the French and other international markets. The rod fishermen in Scotland want to stop the Irish and English net fishermen who scoop up salmon before they get back to their home rivers. The poachers hate the landowners, the EEC and fishery protection laws. And everyone hates the poachers - except the hotels, restaurants and tourists who are quick to buy fish caught illegally. The King of Fish is embroiled in a king-sized mess. The King of Fish has become nothing more than a battery hen that threatens the survival of the two most important participants: the pure Atlantic salmon species and, ironically, the fish farmer. First, the farmer. There is a wild glut of salmon. This has driven the price of fresh salmon down to a point where the farmer stands to get a margin of, maybe, 10 or 20 pence a pound in the UK. That is not enough to make a healthy business. Ian Anderson, of Strathairn Farms on the Isle of Skye, off the west coast of Scotland, says: "In the spring we will see the inevitability of this year's losses for many of the farmers. Some will have to reduce their stocking next year because they won't be able to afford smolts (young fish), the feed and also pay all their other bills." Followers of 1970s hippy rock music will remember Anderson as the bushy-haired singer and flautist who rushed around stage in a grubby raincoat making fascinating noises with a group called Jethro Tull. He still tours, but he is also a successful and enlightened salmon farmer. And because he is highly articulate on issues affecting farmers, and knows how to deal with the media, Anderson has become an unofficial spokesman for Scottish salmon farmers. "The farmers will also have to find extra money to pay for the additional costs in rearing salmon which now faces the industry as a result of environmental pressures," he says. Scottish fish farmers are a mix of small business people, such as Anderson, and subsidiaries of multinationals, such as Unilever and Booker McConnell. In Norway, the industry is bigger and better established, but both countries suffer from the worldwide glut brought about by record production in Europe and new farms in the US, Canada, Iceland, the Faroes, New Zealand, Tasmania, Japan and on the Pacific coast of South America. World demand has been outstripped by supply. The problem is made worse when banks foreclose on loans, take over the farms and sell off the fish cheaply when they reach a marketable size. Anderson will address Scottish bank managers in next month. "I will issue this warning: 'We're all in this together,

chaps, and if you begin foreclosing on the best of the end result will be that market prices will be reduced even further by fish that have to be sold quickly." Salmon farmers face three main environmental pressures: pollution, chemicals and genetics. Farmers are accused of polluting the countryside and seascape with unsightly buildings. Environmentalists are also concerned about the possible destruction of the seabed below the nets and potential algae blooms (mainly in fresh water), caused by the nutrients in uneaten food and the salmon's excreta. Anderson responds: "We are involved like it or not in the production of something by a semi-industrial process. We are obliged to use materials and work practices which are, from time to time, potential causes for concern." He feels strongly that salmon farming is the only form of enterprise that can provide the much-needed jobs in the west of Scotland. "I personally prefer to see working people on a fish farm than brightly coloured windsurfers, pleasure boats, portaloos or whatever else the tacky end of tourism might bring," he says. Anderson rejects criticisms about destroying the seabed. If the nets are moved periodically, he says, the seabed recovers. He admits that uneaten feed and excreta does increase the amount of phosphorus in the water which, especially in freshwater lochs, can cause excessive algae growth. When the algae "blooms" it consumes oxygen needed by wild fish. Freshwater lochs are used for breeding young fish. Anderson says farmers have improved their management and algae blooms are not a problem. He is unaware of any major freshwater pollution caused by salmon farms in Scotland. Environmentalists and consumers are particularly concerned about the chemicals and pesticides used to control diseases and parasites. Any intensive livestock farming, and that includes fish, is impossible without the use of chemicals to reduce diseases and various ailments which are common in animals. "Some people are under the impression that we treat our salmon with hormones, but this is definitely not the case," Anderson says. But salmon catch viral diseases and attract parasites which have to be treated with antibiotics and pesticides. Medicines, such as vaccines, are either injected into each salmon or the fish are dipped, much like sheep, in a small tank containing a solution. Medication, says Anderson, is always done under veterinary supervision and the fish is never slaughtered before the chemicals have been purged from the body.

what the consequence of escaped Atlantic salmon in the Pacific is going to be, whether they will be genetically viable and, if they are, to what extent they will be competing with the five, or technically six, sub-species of the Pacific salmon." Ferguson's association fights for the rights of rod fishermen and the protection of the salmon as a game fish. Catching salmon with a fly and a rod is a lucrative tourist draw for Scotland. All those connected with the rod-fishing industry want the salmon to remain the King of Fish because nobody wants to catch a common wimp. The association tries to prevent overfishing by rod and lobbies against the netting of wild salmon as they make their way back to their home rivers. It is also against any form of illegal fishing. "It is difficult to detect the signs of overfishing, and when the species goes into decline it can go very quickly," says Ferguson. This attitude is not, unfortunately, shared by the sea fishermen who legally net salmon from the English coast. And there is no agreement among their Irish counterparts who live off the proceeds of poached salmon caught in drift nets. "We have no other alternative but to poach salmon," says an Irish fisherman who works with two crew from his 28-foot boat. "Our living is being taken away from us by the fish farmers. They get massive subsidies from government and we get no help whatsoever." And Poaching salmon is, in many parts of Ireland, the only way small fisherman can make a

living from the sea. They catch the fish with meshed nets which are illegal to use but can be bought from any fishing supplier. The fish are sold to tourists and the catering trade from about £2.50 a pound in season to 5A a pound out of season. "They say the salmon are dying out, but this was our best year. We were landing up to a 100 fish a day," says the poacher. The salmon might have lost his crown but he is still a great survivor. The unknown effects of interbreeding and the over-present danger from the chemicals used in salmon farming present the species with its toughest test yet. Meanwhile, the salmon still gives rod fishermen like Ferguson an extraordinary experience. "It's heart-stopping. Nine times out of 10 you think it's a rock, but then the rock starts moving at speed and you feel you're attached to a torpedo. Will the salmon remain the torpedo of the seas - or just a Wee Treat?"



Bridge

WHEN FIRST I reviewed Adventures in Card Play by Cecil and Hugh Kelsey, I called it a remarkable book. It has now been republished by Gollancz at £ 7.95: don't miss it. Let us look first at Non-Material Squeezes:

to three by his partner. West leads the five of spades and East produces the king. East probably holds five spades with ace or king of diamonds, not both, so it looks like the standard hold-up with two stoppers. Wait a minute: if you hold up, East switches to a heart and good defence will put you down. So it's defence! Not at all - there is the non-material squeeze. If East has four hearts, you can bring pressure to bear on him by cashing clubs. But - and this is essential - you must be able to keep a fourth-round entry to dummy in clubs. Win the spade king, lead the eight of clubs to the ace and the nine drops from East. You return to your king and play the 10. Whether West covers or ducks, he cannot deprive you of that fourth-round entry. East, who already has thrown a diamond, is squeezed. A spade discard allows you to set up diamonds; a heart return allows you to play three

rounds of that suit and establish the eight; a diamond severs contact with West, and again you can play on diamonds. So, the non-material squeeze leads to the material squeeze when the fourth club is played. Now for the Non-Material Throw-in: N 42, A 10 6 7, A J 7, 10 6 4 2. W K Q 10 9 6 3, 7, K J 9 8 5, K 10 5 2, 9 8 6 8, 9 7. S A J 8 5, A Q 7 3, A K 6 3. With North-South game in, West deals and bids two spades (weak). South re-opens after two passes with two no-trumps, and North's raise to

three no-trumps ends the auction. West opens with the king of spades and you hold up. West switches to the heart four - a lead from diamonds or clubs is costly - the king wins, and East returns the nine of diamonds covered by queen, king and ace. You return a club to your ace. West lets go a deceptive nine but you do not fall for it. So, you cash the king and throw in East with the three. This is the third non-material throw-in, but it leads to the fourth one and that is material. East must lead a diamond. If he leads the eight, West will eventually be thrown-in and forced to lead a spade into your tenace; if he leads the three, East will be thrown-in to surrender the trick by a heart return. You will find the book fascinating. It will open your eyes to things unseen. E.P.C. Cotter

VACANCES CUISINE'S WINTER TREAT. A Thrift Weekend in the South of France. Enjoy these very delicious fresh from local still life meats. Specially created gourmet meals and tailored wine packages at top Casa de Provence Destinations. 19-22 January. A weekend to die for out! Contact VACANCES CUISINE 01-589 3400

FOOD AND WINE

هذو اصد اناهل

THE DECADE that is just about to end has produced more successful claret vintages than any since the 1950s...

The '80s have it, for clarets

Edmund Penning-Rowell looks back on 10 years of drinking

The most disgraced vintage was '84, and this for reasons connected not just with the quality of the wines but with the fact that the crop was about 40 per cent smaller than in the previous year...

ever to draw the cork. This act of speculation that caused prices of the "names" to rise precipitously...



light, and currently even well-known crus bourgouis are very "light". There are prominent growers in the Médoc who believe that their '86s are superior...

After all this excitement no-one expected much of 1989. Indeed, following a poor spring, the hottest ever July, and a stormy, humid August that led to a good deal of rot...

The '86 and '88 make an admirable pair, both with large crops but very different in style. The former year began with average frosts, had a normal spring...

The surprising result was yet another record crop of powerfully structured, exceptionally deeply-coloured tannic wines that will take a long time to mature...

After these two very fine, very large vintages, '87 would have had to be an average year to succeed and it was not. The growing season was unsatisfactory...

This entails those properties with at least some international reputation - including the Bordeaux merchants by their share of each vintage, good or indifferent...

so by selling them on. There is nothing discreditable or devious about all this, but it hits a moderate vintage like '87, which was hardly a candidate for immediate buying...

The '88s arrived on the en primeur market last year with an amount of controversy as to whether they were worth buying at that stage. The growing season was dominated by drought...

While the cost of eating out has gone up, there has been a big difference between London and the rest of the country. In the capital, this has been largely because of rising costs.

A decade of better restaurant food

Nicholas Lander discerns an improvement in our eating habits

A STRONG case could be made for calling the 1980s the decade of the restaurant.

According to the Restaurant Switchboard (01-888-8080), a service that matches diner to eating-house, inner London has about 7,000 restaurants, hotels and wine bars...

Quantity aside, has the decade been good for the consumer? Is the quality of food on offer throughout the UK significantly better than it was 10 years ago?

While the cost of eating out has gone up, there has been a big difference between London and the rest of the country. In the capital, this has been largely because of rising costs.

The final factor is marketing. As the French and Italians have proved, this is done best in the long term, anyway.

never see a good restaurant advertise. Set these three necessary disciplines - manufacturing, retail and marketing - against the Britain of the 1980s...

This decade has seen a boom in retailing and there are now many restaurants - often more the dream of the designer than the proprietor or the chef - to prove this.



Service charges are a democratic vote.

This rush into the hands of marketing companies reveals another strand in the changes affecting British eating habits during the 1980s.

As a result restaurants have become commodities to market, almost regardless of the quality of the chef and his kitchen...

to cook, whisked off, often all too willingly, in front of the TV cameras or the word processor. Mosmann's is a case in point.

Restaurants in this country seem to be losing sight of the basic role they are supposed to fulfil - and actually do fulfil in many other countries.

Most top restaurants have offered fixed prices at lunch for some time and these are often the very best value. While interest rates continue to be so high...

During the 1980s restaurants have become glamorous, and with the rise of conspicuous consumerism it is no longer wicked to be seen in them.

I know that most chefs in London read her column, half hoping that they have avoided her fire, while looking to find a new restaurant to try next week.

Cookery In the bad old days

Philippa Davenport picks some worthwhile books

ONCE UPON a time, cookery books contained not only recipes and text and the recipes appeared under the bald chapter headings of soups, hors d'oeuvres, eggs and cheese, fish, meat and so on.

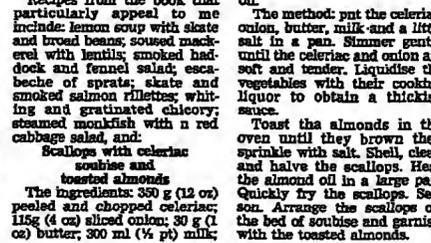
General cookery of this sort is now rare. Specialist cook-books and "personality" offerings have become the norm as publishers and authors strive to give their books a unique selling-point.

George Lasseur's The Fish in My Life (Macmillan, £14.95) is a delight, spiced with wit and eccentricity. It is just the right size to read curled up in bed.

There then is Fresh From the Sea, by Michael Rafter (Dodley Head, £12.95), a rare tonic of a book, as fresh, bright and breezy as salt sea spray.

Recipes from the book that particularly appeal to me include: lemon soup with skate and broad beans; soured mackerel with lentils; smoked haddock and fennel salad; escabeche of sprats; skate and smoked salmon fillets; wheat and gratinated chicory; steamed monkfish with a red cabbage salad; and Scallops with celeriac, soustise and toasted almonds.

Choucroute à l'Alsacienne from the Roux brothers book French Country Cooking



Lesley Chamberlain takes us further afield with The Food & Cooking of Europe (Penguin, £8.99), a scholarly and fascinating introduction to the gastronomy of the area.

Neater to home, the Iberian peninsula gets good attention this year. There is a competent book on The Foods of Spain and Portugal by Elizabeth Lambert Ortiz (Leonard Publishing, £15.95).

Three hardbacks are notable. Above all else, 1988 seems to have been the year of the fish. Fishy paperbacks include Delicious Fish, by Clare Macdonald (Grain, £4.95).

Food for Thought Oh, what a boar!

Giles MacDonogh on black, hairy monsters

WILD BOARS have been making the news lately. A few weeks ago, there was the story about one in Essex which leapt over a fence and a half-foot gate in a bid for freedom.

Since then there have been occasional sightings of a "black, hairy monster" on Essex roads. The boar looked set to pass into legend and become every bit as famous in that part of England as Scotland's Loch Ness Monster.

In fact, there are many more wild boar in Britain than I had hitherto believed; and apart from one refuge boar in Essex, none strictly merits the epithet "wild".

Not everyone shares Mark Leatham's view of razorbacks. Back in April, The Sunday Times revealed that a leading London store was - and still is - labelling razorback meat as wild boar, a practice followed by many restaurants which claim to sell the meat.

Unlike the feral pig, British wild boar is genetically sound - well, almost. In the early 1900s, when wild boar breeding started in Britain, some farmers cross-bred their zoo or wildlife park animals with Tamworth hogs in order to make a more productive and more commercial animal.

Recently, breeders such as Sam Weller in Cambridgeshire and Robert Spencer-Bernard in Buckinghamshire have been trying to breed out the Tamworth strain, producing animals which are 95 per cent wild in the majority of cases.

Spencer-Bernard's farm at Winchenden, between Aylesbury and Thame, was one of the first to launch into boar-breeding and now produces some 200 carcasses a year for sale to restaurants and butchers.

THERE IS ONLY ONE WINE SALE.

Table with columns: Brand/Type of wine, Usual Price, BOTTLE, SALE PRICE, PER BOTTLE. Includes items like Eugene Laroche Brut, Non-Vintage Champagne, and Harrods Claret.

WINE BIN REMNANTS The small selection listed here has been taken from the large range available; personal shoppers only.

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DIVERSIONS

Old London's ebb and floe

George Drower on ye olde Thames frost fairs

ON BOXING DAY 250 years ago Londoners awoke astonished to find the Thames frozen. Huge ice floes had jammed under the 65 narrow arches of old London Bridge, on the ebb tide, and a severe frost had then locked the ice for miles. By New Year's Day 1740 a remarkable frost fair was in being on the ice and was to last for the next seven weeks.

City dwellers were suddenly released from their cramped streets, by the frozen river unexpectedly creating an open vista. Regardless of the varying thickness of the ice tens of thousands flocked on to it. Along parts of the river mountains of ice resembled the interior of a stone quarry.

Soon constructed was a street of brightly-coloured booths and tents which grew in size each week. Fairground attractions included swings, merry-go-rounds and puppet-shows. Women played skittles, and men the fashionable game of bowls. While cheering supporters warmed their hands with baked potatoes, teams of apprentices risked broken legs by playing hockey and football. There were donkeys, horse and wagon races. Coaches crunched over the ice between Blackfriars and Westminster.

Several vintners in the Strand brought a large ox from Smithfield and roasted it whole on the ice. One well-patronised side show was the roasting of a sheep over a charcoal fire in the middle of the river. Called "Lapland Mutton," admission was charged to those who watched. All prices at the fair were expensive. A popular rhyme was: "What can you buy for threepence on the shore, will cost you fourpence on the Thames or more."

In draughty booths printers established rolling-presses to immortalise customers' names on witty souvenir song-and-verse sheets. The diarist, John Evelyn, had noted of an earlier frost fair: "The humour caught hold so universally that it was estimated the printer gained £5 a day for printing a line only, sixpence a name, besides what he got by ballads."

Although the Thames has frozen on some 20 occasions since Roman times, frivolity on the frost-covered river did not begin until the winter of 1664 when Queen Elizabeth walked over the ice to watch an archery contest. At the first real fair in 1683 - called the blanket fair because the tents were made of bedclothes - Charles II, the merry monarch, hunted fox on the river.

It was only in the 18th century that frost fairs reached their meridian, when a comprehensive arrangement of public amusements were applied to the frozen river which were simultaneously being developed at water peggones, London pleasure gardens and fairs on land.

An irony of the 1739-40 winter was that although the fair gave great pleasure the freeze

caused tremendous misery. In the Thames estuary ships sank under the weight of ice. With the transport system paralysed, coal and bread became scarce. Those necessities of life of life fetched such exorbitant amounts the poor could barely afford them.

An eyewitness at the time observed: "The fishermen, carpenters, bricklayers etc. with their tools and utensils in mourning, walked through the streets in large bodies, imploring relief for their own and families necessities." Such was the spirit of seasonal goodwill when the Lord Mayor launched an appeal to help the poor that even the parsimonious George II subscribed generously.

To carry passengers, some watermen's boats were mounted on wheels or, without sails, were used as horse drawn sledges. Later watermen broke the ice close to the shore and charged sightseers to get to the ice - and sometimes even to leave it.

The imminent ending of the fair provided cause for some levity. On one temporary building a way pinned a notice: "This booth to let. The present owner of the premises is Mr Frost. His affairs, however, not being on a permanent footing, a dissolution or bankruptcy may soon be expected, and the final settlement of the whole entrusted to Mr Thaw."

The river remained largely frozen until the night of February 17 1740, when the ice was rent into enormous masses, and drifted with the falling tides. Early the following morning the residents of houses on Old London Bridge were amazed to see ice floes with uninhabited booths, stalls and tents floating past their windows and thundering against the arches below. Many of the houses, and also portions of the bridge itself, suffered considerable damage. Such was the cold it took the rest of the month for the ice to melt.

The last frost fair ran for a month in the winter of 1813-14. Had old London Bridge still been standing there would have been a repetition of those great fairs. However, in 1831 it was replaced by Rennie's bridge - which was shipped to Arizona in 1978 to be succeeded by a blander modernity. The building of the embankment further quickened the river's flow by reducing its width.

Although exceptional cold winters in 1847 and 1963 meant it was possible to skate along the river at Oxford and cycle over it at Windsor, the structural alterations near London Bridge have kept the lower reaches of the Thames from freezing. The now increasingly mild weather means it is improbable the Thames could again freeze sufficiently to support a roasting ox. Were a river carnival to occur again at the New Year again it would perhaps only be called a Frozen Turkey Sandwich Fair.



Cave churches: victims of their own popularity with tourists

Heritage

The scourge of Byzantium

David Barchard mourns the damage done to Cappadocian churches

SUPERBLY set in a Cappadocian valley of vineyards amid pink and white rock cones, the Hermitage of Nicetas the Stylite is one of about 3,000 Byzantine cave churches in central Turkey. The cave churches, and the 1,000-year old frescoes which many of them contain, are not just hauntingly beautiful. They allow us to look straight back across the centuries into a corner of a Byzantine province where civilisation flourished through the Dark Ages. But the future of the churches, and their unique natural setting, is in serious doubt.

For Cappadocia is now five hours drive from the Mediterranean and a similar distance from Ankara, Turkey's capital. Though Goreme Valley at the centre of Cappadocia has long been a magnet for tourists, the region as a whole preserved its innocence. Indeed, the traveller in many valleys can walk among rock cones and vineyards with only the abandoned frescoes of Byzantine saints for company. But things are changing. The charm of Cappadocia is proving its undoing.

Turkey's interior is a harsh country of steep denuded hills, where Middle Eastern villages of flat-roofed houses built from mud bricks huddle anonymously against bleak landscapes. However, around the towns of Goreme, Avanos, and Urgup the harshness ends abruptly and a sort of natural Disneyland begins. Peasant farmers in orchards toil amid a picturesque landscape where the 10th century is still almost as visible as the 20th and every rock seems to have a carved doorway.

The volcanic tufa of the rock valleys can be chiselled and sculpted with ease. This fact has endowed Cappadocia's towns and larger villages with a legacy of finely carved stone houses of a type found nowhere else in Turkey. Sadly, in the last 20 years, many have given way to the ubiquitous concrete-built modern Turkish block of flats.

Earlier centuries have left their mark too, both in free-standing buildings and in homes hewn out of the rock. Cappadocia is a landscape strewn with survivals from an otherwise virtually unrecorded Byzantine and Ottoman past where Greek and Turkish civilisation co-existed for a millennium.

Ninth and tenth century hermit-

ages and monasteries, a Byzantine army encampment, Seljuk caravanserais and tomb towers, the 19th century mansions of Greek merchants, and Ottoman Dervish convents, whose inmates were ejected only a generation or two ago, all lie within a few miles of each other.

The Hermitage of Nicetas is a case in point. Nicetas - we know his name because he wrote it on the wall - was a Byzantine holy man whose hermitage was presumably sponsored by a local squire. This time last year, on a brilliant winter's morning, it looked virtually as it must have done 900 years ago, before it was abandoned when marauding armies shattered Byzantine Cappadocia.

Outside, snow lay thick and untrodden in the rock valley. Inside the chapel, yellow and orange frescoes of grapes and flowers swirled on the plastered ceiling of the hermitage chapel, carved inside the rock cone and a procession of Byzantine bishops and confessors gazed down from the walls. At the time they were being painted, Alfred was probably King in England.

By the time of my last visit, in April, the modern world had broken in. Sager to have enough sights to show the busloads of foreign tourists now being pumped into the area by the thousand, the municipality of the nearby town of Urgup had driven a road through to the edge of the rock valley.

So there will be a lot more visitors to the hermitage of Nicetas the Stylite, directed to it by a large yellow sign at the turn off from the main road. The new arrivals will be greeted by a ticket collector and will have to pay to enter the valley.

Those who go out of season, when the tour buses are not running, will find only a padlocked iron gate. "We shut the churches down in winter," explained the head of Urgup's Tourism office.

The lure of mass tourism has been too much for the local authorities. In the last two years hotels with a total capacity of more than 7,700 beds have got under way. Local government reform in the 1980s has given town councils

Vast open landscapes are becoming clusters of concrete hotels. In the middle of the most majestic panorama in the region, the town council of Goreme, is building a hotel.

"To think that its foundation stone was laid by a man who called himself Minister of Culture," said one of the keepers at Goreme's world-famous valley of rock monasteries, gazing ruefully across towards the cement mixers amid the vineyards and rock cones.

It is to the credit of Mustafa Tinaz 'Tiz, Turkey's present Minister of Culture, that some of the worst disfigurement of the last few years has been reversed, a hideous plateglass spike above an underground shopping centre has been removed from the entrance to Goreme valley, and at least one of the new hotels has been told to remove two of its unlicensed upper storeys.

The tourism developers' most acute problem is that the valleys were

Vast open landscapes are becoming clusters of concrete hotels

designed for hermits and not for bus loads of tourists. "Congestion meant that tourists sometimes had to queue up at the entrances of the cave-basilicas for hours," said Kursad Numanoğlu, mayor of Urgup, said.

To remedy that defect, any available church lying not far from a track or road is being pressed into service. This is why the millennium of silence at Nicetas's Hermitage has finally been broken.

Last April, mechanical excavators scooped out the earth from three long-buried 10th century churches south of Urgup. The access roads and yellow signposts for the tourist buses were already completed. It does not seem to have occurred to the authorities to invite scholars to look at the churches before they were open.

Nor is there very much local consciousness that the objects on display to tourists have a historical meaning. One sees this further down the same road, where the church of the Archangel at Cemil, and the Church of St Stephen have also been requisitioned for the tourist trade.

The Church of the Archangel, with its frescoes blackened by soot, may be one of the churches which was not

abandoned when Byzantine authority in the region collapsed in 1071 after the Battle of Mantzikert. Both it and the nearby Chapel of St Stephen were still in use by local Greek Christians in 1907, when Pere Guillaume de Jerphanion, the virtual discoverer of the rock churches arrived on his first visit to Cappadocia.

For tourists, the Church of the Archangel is called Korkutlisse - "Black Church", and St Stephen's becomes Kesik Kilise, "Drunkards Church".

The new iron gates on the church doors - a barrier against tourists without admission tickets - have been put up a generation too late to prevent the defacement of every easily accessible fragment of fresco by graffiti writers.

The first graffiti writers were monks and Byzantine pilgrims, followed by local Greeks under the Ottoman Empire who wrote Turkish in Greek script. Their signatures are almost the only written evidence, outside official Ottoman archives, to survive from the 18th and 19th century in the area. Do not write on the walls, says a painted inscription in Greek which faces visitors as they go into the 19th century Church of St Basil at Sinasos.

Later generations have less interest to offer. Modern peasants, mindful of Islam's injunctions against human images scratched out faces and eyes in paintings.

Since 1960, local children have carved their names by the thousands on the frescoes, obliterating a good many of them. The result has been a stupendous and unacknowledged artistic loss. It does not only extend to the Medieval paintings. In Sinasos, a town of exquisitely carved stone villas, built as summer residences for the Greek merchant princes of Istanbul a 100 years ago, in many houses the figures in the pictures on the walls have miserable white balloons instead of faces.

Free-standing churches have been the worst affected. At Celtek near Aksaray stands the once magnificent - and by Byzantine standards - unusually large, 12th century church of Cankil Kilise, beside three rock monasteries, the courtyards and churches of which now serve as farmyards.

Cankil Kilise is off the tourist beat, and so has been abandoned to the

elements, its frescoes are crumbling, followed gradually by the rest of the building's fabric. There are about half a dozen other free basilic churches in the district sharing the same fate.

Churches built in Ottoman times have fared better. They have mostly been converted into mosques. At Akyanca, a hill village called Genecala until it was renamed Akyanca ("Brightspot") by officialdom to rid it of alien connotations, the 17th century church of St George is going through the process at the moment.

Lower down the hill from Akyanca is Güzelyurt ("Niceville") formerly Gelveri, and once the home town of St Basil of Caesarea, one of the great fathers of the early church. Gelveri was a mixed Community until the end of the First World War, and by all accounts a happy and prosperous place, its merchants travelling as far as the Crimea.

While the physical remains of Cappadocia's Byzantine and Ottoman past crumble and disappear, some of the human links survive, at least for another decade or two.

Ismael Gun, the oldest man in Gelveri, can remember going into the Church of St Gregory during Moss as a child, and learning to read and write at the village's Greek primary school. His education there lasted only a fortnight for it happened to coincide with the last two weeks of Balkan civilisation in the area.

Gelveri lost nine tenths of its population in 1924 when Greece and Turkey swapped their minorities. Akyanca still remembers a Greek bully called Lazari who lorded it over the village during the First World War and was eventually ejected.

Lazari and the rest of his people left the region in the population exchange between Greece and Turkey in 1924, but one night 20 years later, he returned on a visit. Ismael Gun, drove him to Gelveri and the two men sat up drinking through the night and discussing the old days.

"I remember he kept talking about our infidel ways and your Muslim ways and eventually I got impatient," says Mr Gun. I said to him, "Lazari, stop talking about infidels and Muslims. People are people anywhere in the world. But particularly here. What did Greek and Turk ever have against each other here?"

printed replies were intended to alleviate the burden of correspondence; but how their maker loved his oracular and patronising power!

Shaw's eclipse is the more comprehensible when we see his portraits of his heroes on his mantelpiece. Central to the idols of Shaw is "Diana In Stalin, beaming away like the Saviour of the World. Shaw met Stalin in 1931 and immediately thought him the world's saviour: what is odd is that in 1948 Shaw was still declaring him to be "the greatest man alive."

This is the danger of hermits who mix with politics: Shaw chastised Johnson for trifling in taverns when he should have been "shaking England with the thunder of his thunder" but what is left of Shaw's thunder - of those Shawian-causes to which his house remains a testament? Shakespeare is still studied at school and produced on the stage. Nudism has not proved popular, neither has totalitarianism. And it looks as if Bolshevism has had its day. By my reckoning, the one message left from Shaw's sermonising is that if we refrain from smoking tobacco and eating dead animals, we may live, as he did, for 94 years.

Shaw's Corner, near Aynot St Lawrence, Hertfordshire, is a National Trust property open April to October, Wednesday to Saturday, 2 pm to 8 pm; Sundays and Bank Holiday Mondays 12 pm to 6.00.

The Genius of the Place

House of the hermit

Nigel Spivey visits the country retreat of George Bernard Shaw

THERE IS NOT, nor ever will be, a Royal Shaw Society. Whether he be in Heaven or Hell, George Bernard Shaw must regard the existence of the Royal Shakespeare Company with some skepticism. Why is it that, at the time of writing, we have three Shakespeare productions on the London stage, and nothing by Shaw? Wasn't Shaw supposed to have rescued the London theatre from its dull pabulum of classics and inconsequential comedy? Wasn't Shaw responsible for the suppression of "Bardolatry"?

Well, the proposition that Shaw was greater than Shakespeare came from... Shaw himself. Never one for self-enclosed, he christened the place as "Shaw's Corner" and bequeathed the property to the nation in 1944, perhaps antici-



"Shaw's Corner," christened as such by the writer himself

immense cleverness, and was simply too clever to be better than Shakespeare.

Shaw's Corner, at Aynot St Lawrence, is a former rectory, reached by a narrow road. The house retains the air of its original purpose: a centre for pontifical pronouncements and finger-wagging. Shaw lived there from 1906 until his death in 1950, and it is as he left it - soft bomburges on the hatstand, pens on the desk.

At the bottom of the garden what looks like a potting-shed

is where contemplative exercises went on. Shaw was gregarious, and enjoyed some fame as a conversationalist, but the wooden retreat that was his writing hut reminds one of his essentially solipsistic nature. Frugal in his diet, abstinent in his drinking, Jerome in appearance, Shaw never really argues a case in any of his works: he asserts it, and we listen or stop our ears as we please. Since his wit was based on the principle of contrariness, it now seems a cheap

way of raising a laugh: the residue of half-truths is too evident.

Shaw was a hermit who relished celebrity. He was capable of marvellous generosity to younger writers short of cash, and yet he took pleasure in producing postcards of stock misanthropy: "Please do not ask Mr Bernard Shaw for money. He has not enough of it to help the large number of his readers who are in urgent need of it. He can write for you; he cannot finance you." Such

is where contemplative exercises went on. Shaw was gregarious, and enjoyed some fame as a conversationalist, but the wooden retreat that was his writing hut reminds one of his essentially solipsistic nature. Frugal in his diet, abstinent in his drinking, Jerome in appearance, Shaw never really argues a case in any of his works: he asserts it, and we listen or stop our ears as we please. Since his wit was based on the principle of contrariness, it now seems a cheap way of raising a laugh: the residue of half-truths is too evident.

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HOW TO SPEND IT

It's goodbye to the designer decade

Lucia van der Post bids a not-so-nostalgic farewell to red braces and 10 years of living greedily

THE 80s were a great time for the belief that money and fashion, as well as great shifts in human behaviour and consciousness, divide themselves into tidy sections that conveniently begin at the start of one decade and then disappear on one at the end. Life to me has more of a habit of throwing up loose ends and leaving unfinished business with murky time-spots of their own.

Nonetheless, the end of a decade brings out a dose of nostalgia in almost everybody. Wondering what, if anything, it was all about is a time-honoured and a little-occupied. And there are indeed trends to be seen and noted, lessons to be learned.

The '80s seem above all a time when consumerism got out of hand. Money and power became the buzzwords. Films like *Wall Street* captured the fashionable symbols of the decade - power suits, red braces, fast cars, the whole go-getting yuppie ethos - but by the time the '80s drew to a close the moral bankruptcy of these ideas was being exposed.

By the end of the decade the green movement had taken root. It was no longer a fringe movement, run by those with the vision and courage to see what the stampede to buy, buy, buy was doing to the planet. Eco-concern has entered mainstream thinking and poses some interesting questions for manufacturers, shoppers and individuals. How much more material stuff do we really need or need? And if we decide we don't need or want so much, what happens to the manufacturers and the shops and the jobs that go with them? The culture of conspicuous consumption is on the way out. Dare one hope that it is being replaced by a "waring decade" by concern for the planet, the environment, the family, for the Third World, for individuals?

The '90s, too, were the decade of style, when you were best expressed by what you bought. It was the decade when the style manuals, *The Face*, *Elle* and *V* became serious. And how to wear it, and where to go, and what to do with it. The designer label was seen to be the solution to all retailing problems. Designer water, designer stibbles, designer food... they all took off. Purveyors of lifestyles prospered. It no longer became enough to sell a sweater. You had to conjure up images of the life the sweater-wearer wanted to inhabit - and that seemed to be the world of lots of old, discreet money.

Along with the cable-knit sweaters came whiffs of Cape Cod and Ivy League status. With designer wallpaper came overtones of mellow mansions, with tweedy jackets came breezes from the moors, with the gentle floral silks came

LYCRA... J.M. Pei's glass pyramid at the Louvre... the fax machine and the cordless telephone... these were some of the things that changed the face of the '80s... As the '80s draw to a close *How To Spend It* asked a group of people, all concerned either with the world of visual arts and design or involved in making things happen, what for them had been the outstanding designs or developments in the '80s. This is what they had to say...

Sir Simon Kirby, Chairman of W.H. Smith and the Design Council. "For sheer beauty it would be difficult to think of anything to beat a silver and black enamel bowl by Gerald Benney that we own. The line, the simplicity of it are quite perfect."

"When it comes to products I think that Bang & Olufsen's collection of music and television products is quite superb. The whole range is a wonderful combination of function and beauty."

"Looking at industrial design the JCB range of earth-movers is a wonderful example of the best of their breed - they have been produced with real care and attention to driver comfort and to function and they look as good as such things can look as well."

Martin Sorrell, chief executive of WPP (Wire and plastic products). "The things that have changed my life in the '80s are the fax machine, the car phone and wire baskets."

Frank Sawkins, founder and chairman of Coach & Spaulo. "Several things changed my

memories of cucumber sandwiches and old retainers. It was a testing time for shoppers - every time you bought a suit, a sweater, even a humble kettle you were making some kind of statement about yourself.

Nostalgia ran wild. Gardeners planted camomile lawns and banks of wild flowers. In small houses in Wellington, faded chintzes and sumptuous wallpapers were hung. Simplicity and stripped pine were things of the past; grandeur was what house-decorating was all about. Flowers and ruffles, rich brocades and thick fat sofas, velvet sofas and wrought-iron chandeliers came in. Clean, Scandinavian lines were out. Favourite lifestyle props were battered leather-bound books, a pair of ancient guns and a Hardy's rod. The garment of the '80s was the waxed-cotton jacket. It was role-playing taken to absurd lengths, but it set the tills ringing.

Paradoxically, alongside all this nostalgia came a new-found sense and acceptance of new technology. It no longer was smart to boast that only your children could work that VCR. '80s people learned to love the fax, the cordless telephone, the personal computer, the Sony Walkman.

Nevertheless, retailing now looks in dire trouble. It's been a year when most of the sales started before Christmas. Many of the great names of '80s retailing - from St. Thomas Canyon to George Davies, from Sophie Mirman to Laura Ashley - are facing more difficult times. The proliferation of shopping malls and look-alike chains which rob high streets of personality and excitement have to take some of the blame. It retelling is to recover, shopping must be made a more rewarding experience.

Service and convenience surely have to be part of the answer. Why is the weekly shop at the supermarket still such a ghastly experience? Why do these supermarkets that take up great chunks of our family budgets do so little to make the shopping less arduous? At my local Sainsbury nobody helps me pick the goods my fat cheque is buying. There are no lavatories, no facilities for children, you cannot expect to queue for less than half an hour on a Saturday morning...

Easy takings are a thing of the past. Shoppers are more picky. Their expectations have risen by the experiences of the '80s. I have a feeling that the shops that will prosper in the '90s are those with the vision and the will to bridge the gap between expectation and reality, those that grasp the nettle of how to deliver service after a decade when they had it too easy. It's going to be an interesting ride...

from Stephen Bayley as Director of the Design Museum, Rudler's Wharf, from Jan. 1. "Two things were for me the outstanding designs of the 1980s. One was the Apple Macintosh, which transformed the culture of personal computers. It became the most versatile design tool of the '80s, enabling designers to manipulate text and images with unprecedented freedom and economy. Then President Mitterrand's Grand Projets for the Bicentenary of the French Revolution was an astounding design

event - some of the most inspiring buildings of the decade were those which commemorated the French Revolution 200 years before. In particular, LM. Pei's glass pyramid for the Grand Louvre is as brilliant and daring as the Eiffel Tower must have seemed in 1889. It is a marvellous integration of the past and present."

Joseph Ettedgui, designer and retailing entrepreneur behind the Joseph shops. "For me the most inspiring things to come out of the '80s

were hand-knits, stretch fabrics and Andre Dubreuil's chandeliers."

Anita Roddick, M.D. of The Body Shop. "The Sony Walkman, without a doubt. I love music, it's simple enough for me to understand how it works and I take it with me wherever I go."

Janet Fitch, who is the taste and impetus behind her own shop, Janet Fitch, 2 Percy Street, London W1, which specialises in designer objects of

the time of the Pharaohs.

"The Stirling and Wilford design for the Staat Gallery in Stuttgart is another building that made a huge impression on me. Not only is it a beautifully executed urban building but I like the poetry of it. Nick Grimshaw's building for the Financial Times printworks in East India Docks is a wonderful structure where the industry itself is on show and becomes kinetic art."

"Through these buildings impressed me most, if I have to name some products I would say that Fred Scott's Supporto chair is an excellent design that serves its purpose admirably. The two-door Fiat Uno is a

very good small car - I love driving it, it is good mechanically and it is wonderful to be in. What more could you ask of a car?"

Caroline Charles, fashion designer, and owner of Caroline Charles, London, 58-57 Beauchamp Place, London, SW1.

"Above all I need to communicate with people and the colour photo-copier, fax machine and the cordless phone have all made that much easier. On the personal front lycra tights and the hopen hob have made a difference to my private life."

Julia Hales, environmental consultant and co-author, with John Elkington, of *The Green Consumer Guide*.

"Catalytic converters, which screen out 90 per cent of toxic emissions from cars, the nitrous oxides, hydrocarbons and carbon monoxide, are a hugely important development. They are much more common in Europe than here, they are beginning to make an impact here, too and Saab are now offering them at no extra cost."

"Personally I took to lacy tights and tights with floral patterns all over them and they really only came in the '80s."

"I like the development of the sort of architecture that is represented by Covent Garden and that is becoming much more common."

"Though the first bottle banks actually came to the UK in 1977, they became increasingly more accessible during the '80s."

"The increasing sophistication of miniaturisation has transformed so many objects we all use daily - things like computers, watches, calculators, fax machines."

"There were quite a lot of things I disliked intensely about the '80s - for instance the proliferation of the demand for bottled water. It really upsets me because it is such a complete waste of packaging - all those bottles going to waste when people could perfectly well drink tap water."

"Disposable kitchen towels and nappies (5 per cent of household waste is due to the use of disposable nappies) also use up valuable resources and are not really necessary - convenience has overtaken environmental sense and they have just become a mindless habit."

"I dislike the spread of the McDonalds culture and of all that wasteful individual packaging for things like milk, butter, jam or sugar."

Shin-Kay Kan, designer of lights, underwear and other lifestyle enablers. "Without a doubt the designs of the '80s for me were the fax machine and digital audio tapes which give me high quality music and last for up to six hours."

David Davies of David Davies Associates. "Microwave ovens - despite their tarnished image, I think they are one of the most marvellous inventions of modern times. For very busy people who exist a lot of the time on take-aways, tossing some fresh vegetables into the microwave and having them crisp and cooked in 60 seconds is almost a religious experience."



Illustration by John Goodwin

The king of eaux-de-vie

KIRSCH, SAYS Sleighed Fassbind, has got a bad name. And that makes him unhappy, for, not without reason, he considers himself the uncrowned king of quality kirsch. These should be - brandies distilled directly from fresh fruits. Whether they are made from cherries, plums, pears (or even grapes) they should provide a balance of warmth and fruitiness, the alcohol subsiding in the mouth. True kirsch, such as Fassbind's, has a pure, intense, fruity nose, the very distillation of the cherries from which it is made. It is what the Americans would call a "clear cut", rather nutty on the palate, comparable to Martell's Cordon Bleu or other high-grade Cognacs.

Nicholas Faith laments the fact that kirsch is not more widely drunk

what the Cognacists would call a chapeau, a head to the still to purify the alcohol before it is cooled. The refinement enables him to produce a uniquely delicate and fruity brandy. Fassbind is well entrenched in the French. It is now nearly six centuries since his family settled in the little town of Oberarth in Schwyz, the canton which gave its name to the whole country, and they have been distilling for more than 150 years.

He now makes an extraordinary range of spirits. These include Kirsch, Framboise, Poire William, a number of plum brandies (the Prunessa is fresher, fruitier, livelier than the heavy, indeed heavy-sounding Pfannli), a rich, apple brandy called Gravensteiner, named after the variety of apple used, as well as more exotic liquids: Going, made from quinces, and a peculiarly Swiss medicinal fluid called Chrutbrandwein, which involves macerating 20 selected herbs in the spirit (Cesser distillers buy packets of dried herbs, Fassbind, not surprisingly, chooses his one by

one). He is now experimenting with a blackberry brandy as well as one made from "holunder" (which the uninitiated may know as elderberry).

Fassbind is operating at the very top of the market. But then Switzerland is, rightly, considered the only country where the eau-de-vie is at least correct, because the law rules out the use of the additives, sugar and artificial flavourings used in lesser countries (not only in France but also in Germany, where distillers tend to use quaint old-worldly bottles to disguise the artificiality of their contents). But purity is only the first

requirement. The type of cherry matters as much as grape varieties. Whether they be Scottish raspberries or grapes grown in Bordeaux and Burgundy, fruit grown at its climatic limit has a more concentrated flavour than the flabbier sort harvested in easier climates. So it is with cherries, and Fassbind's finest kirsch is made from small but flavourful Swiss black mountain cherries, over five kilograms per litre. The fruit for all the spirits is fermented for a few weeks, distilled for three or four hours to the same 70° strength as Cognac, then stored in glass jars.

At this point a distinction emerges between eau de vie derived from fruits with kernels or pits, such as kirsch, prune or quince, and the even more delectable products of truly soft fruit like pears and raspberries. The "nutty" brandies, like red wines, need time for their tannins to mature, and therefore benefit from ageing, while the "soffies" should be drunk young to appreciate their fruitiness.

Fassbind even sells a range of vintage kirsch, thus provid-

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YACHTS & POWERCRAFT

Sophistication is the name of the game

Roy Hodson takes a look at what buyers will be spending their money on in the coming season

HIGH SEASON for the international boat shows is almost upon us. And already it is clear that show visitors with money to spend in Britain and continental Europe this winter are going to be looking for more luxury in their new boats and greater sophistication in the equipment they buy, such as electronic navigation equipment.

The new global positioning system (navigation by satellite) is coming in during 1990, and the first orders for sets will be placed by yachtmen at the Earls Court show in London.

It will be the first of a series of technological pace-setters in the boating world during the 1990s, such as computerised charts, easier radio and telephone communications and more sophisticated monitoring of the performance of the boat and its engines by electronics.

Earls Court opens on January 4 and will be followed by equally glittering events in Dusseldorf (January 20) and Miami (February 15). All three will reflect the current trend for buyers to seek bigger and more comfortably-equipped sailing yachts and motor yachts which are becoming positively sybaritic in the luxurious accommodation they offer.

Earls Court, together with the ancillary display of 50 larger yachts at Chelsea Harbour, will offer the chance to see a record number of new sailing and motor yachts designed and built in Britain that I expect to be trendsetters in world markets - and available at competitive export prices if the sterling remains at its present level against the dollar.

The choice is wide in what

promises to be a vintage year. To mention just a few, Northshore Yacht Yards has built a splendid gentleman's motor boat (37-foot long and capable of more than 30 knots) primarily for day cruising. It is called the Swordfish and is in the grand tradition pioneered by the Fairley Marine company. Designer Alan Burnard used to be Fairley's chief designer.

Tony Taylor, who used to be the kingpin at the Camper and Nicholson Gosport yard in Hampshire, has designed a rugged sailing cutter, the Vancouver 36 for blue-water sailors. Sadler, of Poole, has a cruising man's dreamboat with the new Starlight 38, a eeloped-rigged fast cruiser which will be produced in both a low profile deckline and a pilot house version.

Fairline, the powerboat specialist, is showing the Targa 42 and the Fairline 50; Sunseeker International is showing the 46-foot Camargue with a bird's-eye maple interior, and there will be a 46-footer in the Princess motor yacht fleet. Indeed, 17 of the motor yachts on show will be more than 45 feet in length.

What is happening at Fairline Boats, of Oundle, one of Britain's most successful builders and exporters of power yachts, is typical of the changes that are taking place in leading companies in the industry worldwide.

Fairline has compiled news of a rise in pre-tax profits of 14 per cent to £A.14m for the year to end-September with plans to move decisively up-market in the coming year.

Sam Newington, chairman and managing director, has decided to drop one of his small boats, a 24-footer, because the market for smaller

boats shows signs of weakness. He also reports that sales have declined for his 27-foot model.

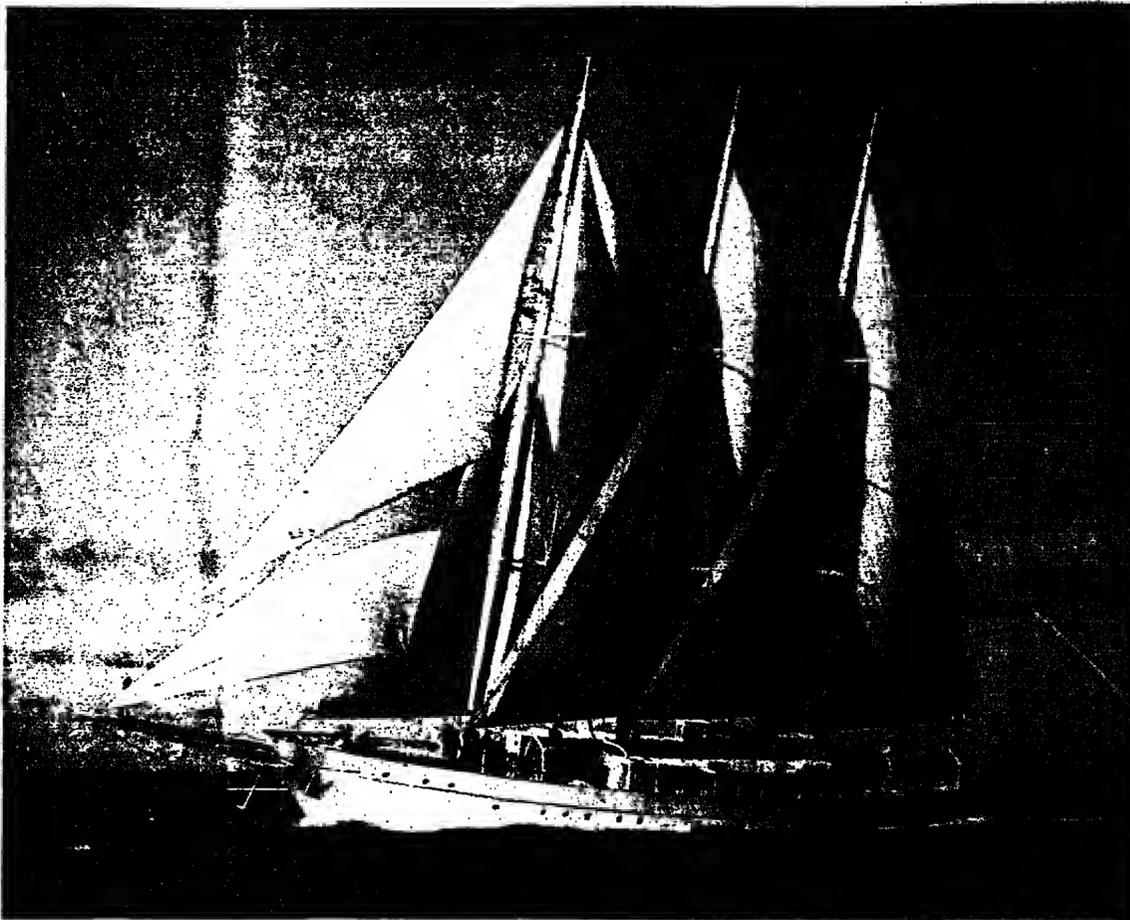
But the three big new power yachts he is introducing will go up to a 62-footer (a very big yacht for a British volume production company) which will cost about £400,000. He also has a full order book for his company's production capacity and expects to export 70 per cent of his production in the coming year.

The British Marine Industries Federation calculates that the British boating industry is now sustaining a healthy positive trade balance of well over £100m a year.

Total export sales of boats are running at more than £180m a year, with two-thirds of sales in the powerboats market. The alliance of British yacht design and reliable diesel engines from international suppliers is proving a worldbeater. In the first six months of this year, total boating industry exports showed a 17 per cent increase over the previous year.

The figures are the latest evidence of a dramatic revival in the fortunes of the British marine industry since the dark days almost 10 years ago when over-extended companies were going broke and the industry was realising, belatedly, that it had failed in many instances to respond to the changing demands of the boat-buying public.

Designers and builders alike are excited (and a trifle surprised) by the sustained strength of the world market for expensive boats at present. Most of them are now pursuing ambitious plans to cater for a buoyant demand well into the 1990s with new designs and novel concepts.



Aquarius, a yacht to treasure... as photographed by Beken of Cowes, Isle of Wight

cruise of the Pacific, including Japan and Hong Kong, where serious buyers will be entertained - and even loaned the vessel for a few days. He would like to accept a cheque for \$100m for her, which would go some way towards paying for the new boat.

The Australian businessman Alan Bond's almost equally luxurious Southern Cross III (171 feet overall length and built in Japan three years ago) is also for sale and will interest those with a more slender purse.

The obvious way for the megarich to get into the rarified world of big yacht ownership and have everything to their entire satisfaction is to order a new boat. But that is not as easy as it sounds.

Ten years ago, there was just a handful of yards in western Europe which could build superyachts. In spite of expansion, there are still only about 16 yards worldwide which the best designers would regard seriously as fit to build their creations.

All told, there are perhaps 30 yards in the world which can build superyachts of more than 100 feet overall length to high standards.

So waiting lists at the best yards are stretching out into the 1990s as prospective owners place their orders. If you want a yacht built quickly these days, you will probably have to turn to an Asian yard. The best builders in Britain, Netherlands, West Germany and Italy have fat order books, some stretching years ahead.

The company (which incorporates the property business Dean and Dytall) sees itself as a waterside developer. Thompson says its strategy is to market a wide range of boat berthing options - from a simple mud berth or swinging mooring, through marina berth rentals and leasing to long-term leases on waterside houses and apartments complete with permanent berths.

Since starting to sell 45-year berth leases a year ago, MDL has sold 79 at Hamble Point Marina, 29 at Port Hamble, 27 at Torquay, and 20 at Mercury Yacht Harbour, Hamble, and Northney, Hayling Island, taking just over 53m from the deals. MDL is spending £2.9m during the winter on marina improvements.

Can it be true that the age-old problem of keeping vessels' bottoms free from barnacles and other marine organisms has been solved at last?

Battelle, an international technology development organisation, is testing a new system at its Florida materials research facility. It is described as an environmentally-safe method of preventing underwater fouling.

The Battelle researchers have developed a polymer made with organic materials which is toxic to marine organisms. The claim is that it does not degrade over time, like anti-fouling paints, and thus should continue to work indefinitely.

The polymer can be applied like a paint or actually built into the material to be protected - such as the glass reinforced plastics of a boat hull.

It could be on the market within three years, Battelle says.

Take it easy - but by the book

I WOULD defend against all-comers the merits of the glorious cruising grounds round the Irish and Scottish coasts - and the east coast of England has a certain charm, although sometimes more said than water, writes Roy Hodson.

But it is a fact that more than 90 per cent of British yachting takes in southern North Sea and Channel waters between Great Yarmouth in the east and the Scillies in the west.

Adlard Coles, a marine publisher, has brought out three volumes of pilot packs covering these southern waters - and I heartily commend them. Together with the necessary passage charts and a nautical almanac, they provide a complete navigation kit for a yacht.

The pilots are ring-backed books, measuring 13 in by 11 in, which can be opened flat at any page on a chart table. Each right-hand page is taken up by a well-drawn, large-scale chart of a port or a coastal area demanding lubricate navigation. The facing page contains comprehensive local data including tidal information in a clear form, navigation warnings and advice as well as details of radio channels and telephone numbers.

The pilots are well-detailed and should enable yachtsmen to venture with confidence into the more remote but delightful creeks, harbours



and anchorages on both the British and French sides of the Channel.

- Pilot Pack 1: Great Yarmouth to Littlehampton, Ipswich to Caernarfon.
- Pilot Pack 2: Chichester to
- Pilot Pack 3: Bridport to the Scilly Isles, Le Legue to Ushant

Edited by Brian Goulder and published by Adlard Coles (£35 per volume).

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Yachtsmen on the south coast of England have been startled recently by a concentration of ownership of the available marina berths coupled with a marketing campaign to sell the berths on 45-year leases at prices ranging from £30,000 to £50,000.

Marina Developments (MDL) now owns more than 5,000 berths throughout Britain, including most of the berths round the Hamble and Southampton Water, and 25 per cent of all the berths between Chichester and Poole. It is employing Marina Consult (UK), the British arm of a US company, to act as selling agents.

Feeling are running high among berthholders who claim they are being subjected to pressure to raise a great deal of money and give up their well-established rental arrangements.

Peter Thompson, MDL's development and marketing director, gave me the impression that the company's policy has now been altered and that it is prepared to be much more flexible than the original berth-leasing campaign implied.

"We want to widen the choice for yacht-owners," he said, adding that MDL is considering schemes for variable leasing periods ranging from seven years upwards.

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BOOKS

ONCE AGAIN this year you were invited to enter for one or both of our literary competitions. They were the composition of a sonnet bidding farewell to the 1980s, and the devising of a recipe for a dish named after a celebrity...

Literary competition winners

Anthony Curtis, Literary Editor, gives his report and the results

When in the chronicles of wasted times The 1980s corpse is laid to rest. We'll scatter earth over Ceausescu's crimes And celebrate new links of East with West...

Sing Ho for the years of the grocer's daughter I speak of the one called Margaret Thatcher And not the good man in the country to match her She divided the land and ruled the water...

Let's part on friendly terms at least. Too bad It wasn't love, but just infatuation. A better you go now; I shall be sad. The truth is, you were far above my station. I tried to live up to your glittery spell...

D.A. Prince, Broken House, Crane's Lane, Kingston, Cambs. CB2 2NA. (First prize)

Mrs S.D. Trump, 196 Westminster Crescent, Lodge Moor, Sheffield. S10 4EZ. (Equal second)

Noel Petty, 15 The Avenue, Fairfield, Stockton-on-Tees, Cleveland. TS19 7ET. (Equal second)

Wogan Waffle served up with Heath Hotpot



SEVERAL sonneters were happy to say farewell to the self-denying cult of the 1980s known as nouvelle cuisine. There was no hint of that in M.C. Rosell's entry for the Top Dishes contest, Entrée Sir Anthony Meyer...

Woldheimer Schnitzel... unveiled some time ago at a reunion dinner in Vienna (Mrs T. Hearty, Roskita Ramon) (Alice J. Adams, Mrs Ping Delors ERM Steu (Christopher Blair); Nancy's Fancy (A frothy dessert with an unexpectedly sharp after-taste) (Mrs Olive Howard)...

table Stock or Water; 2 tbsps. Fresh mixed Herbs - chopped; 2 med. Bay Leaves; 6 oz. Thin cut Strips Bacon - chopped; 1 med. Firm/Butter Mushrooms; 1 dsp. Cornflour or Arrowroot; Seasoning; 2 tbsps. Fresh Parsley - chopped.

and stamer gently four 5 minutes. Check seasoning. Remove from heat and add all meats and gently mix. Put aside for 24 hrs so that the meats absorb the flavours and moistness of the stock.

Before serving heat the mixture very slowly, check seasoning and thickness, and when piping hot transfer to an elegant tureen. Sprinkle with 2 tbsps. of chopped parsley and serve immediately. Sally Tregowan, Old Hankneshers, Maris Cross, East Sussex, TN3 8BP

GORBY'S GLASNOG Gorby's secret weapon, an answer to Star Wars, guaranteed to keep the Americans unable to respond for at least three days.

Ingredients: 1/2 cup caster sugar; 1 quart cold double cream direct from Siberia; 2 lbs caster sugar; 1 bottle whiskey (vodka better) 12 oz Jamaica rum; grated rind of orange and

Repeat this exercise exactly with the brocc of pheasants, but when cooked leave the tomato and onion stock mixture in the flameproof pan to which add the vegetable stock or water, the duck and two pigeons. Bring to boil and simmer until cooked through. Remove birds to side dish, discard leaf and reserve stock.

Skin, joint and bone chicken, pheasants, duck and pigeons keeping breast meat in largish pieces. It is important to ensure finished casseroles has many different sizes of meat in it and does not resemble a "mushy stew." When both chicken and game stocks are cold skim off any fat.

Put both chicken and game stock mixtures into a large flameproof casserole and gently heat up. Thicken with 1 dsp. cornflour. Add the chopped bacon and sliced mushroom

Gleigud in "The Best of Friends," one of the drawings in Laugh Lines by Clive Francis (Hodder and Stoughton, £12.95). Sir John has inspired the winner of our competition to name a dish after him



Bumper year for literary awards

From the Booker to biography, Lucinda de la Rue sorts out this year's prizewinners

THE NOBEL Prize for Literature (worth \$82,000) was won by the Spanish novelist Camilo José Cela (born 1916) whose most celebrated work The Family of Pascual Duarte (1942) will be published in an English translation by Anthony Kerrigan (Little, Brown, £11.95, paperback \$5.95) available in the UK early in the New Year.

The Booker Prize for fiction (£20,000) was won by Japanese-born writer Kazuo Ishiguro for The Remains of the Day, a novel in which the action is seen through the eyes of a butler (Faber & Faber, £10.95).

The GFA Book Award of £180,000 given by Guinness Food Division, the Shannon-based short-story competition, was won by Colins. The Tom Gallon Award (£500) for a short story was won by Alan Beard with Talking Doreen Out of the Sky which first appeared in the London Magazine.

The Sunday Express Book of the Year Award (£20,000) was won by Rose Tremain for her historical novel, Restoration (Hamish Hamilton, £12.95) which also won the Angel Literary Award (£1,000), for authors from East Anglia, and was on the short list for the Booker Prize. The W.H. Smith Literary Award (£10,000) went to Christopher Hill for The Intellectual, Seditions and Factions: Bunyan and His Church (Oxford, £7.95).

The 25,000 Peoples Prize for Fiction given by The Glasgow Herald was won by John Mortimer for A Summer's Lease (Viking £11.95; Penguin, £3.99). The 24th Guardian Fiction Award (£1,000) went to Carol Lake, who wrote a collection of linked stories Rosehill: Portraits from a Midlands City (Bloomsbury £12.95).

Timothy O'Grady is the winner of the £1,000 David Higham Prize for a first work of adult fiction for his novel Motherland (Chatto & Windus, £11.95). The 1989 Geoffrey Faber Memorial Prize (£500), given this year for a volume of prose fiction, was won by David Prothro with Sea Music (Secker & Warburg £10.95, Sceptre £3.95).

Clifford (Victor Gollancz, £12.95) by M. John Harrison won this year's Boardman Tasker Prize for mountain literature (£1,000), the first time it has been awarded to a fictional work. The winner of the Thomas Cook Travel and Guide Book Award (total prize money £11,000) will be announced next month.

The Somerset Maugham Awards endowed by Maugham "to enable young British writers to enrich their writing by experience in foreign countries" were won (£2,500 each) by Rupert Christiansen, Alan Hollinghurst and Deirdre Madden.

The Society of Authors Travelling Scholarships which have the same purpose for writers of more mature years were won

The top winner of the 1989 Ian St. James Awards, with the Parker Pen company as joint-donors, (£33,000 in total prize money), open to writers of unpublished short stories of between 5,000 and 10,000 words, was David Rose. He received £12,000 for An Ugly Night which will appear in a book of the winning stories called At the Stroke of Twelve to be published next year by Collins. The Tom Gallon Award (£500) for a short story was won by Alan Beard with Talking Doreen Out of the Sky which first appeared in the London Magazine.

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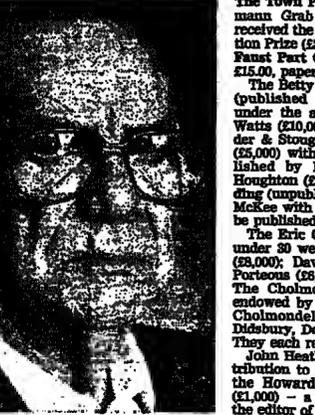
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The Society of Authors Travelling Scholarships which have the same purpose for writers of more mature years were won



Camilo José Cela, winner of this year's Nobel prize for literature

(£1,250 each) by Sybil Bedford, David Harsent, Barry Hines, and Nicholas Wolleston.

The winner of the £1,000 Anglo-Hellenic League's Runciman Award was Rowland J. Mainstone for Hagia Sophia: Architecture, Structure and History of Justinian's Great Church (Thames and Hudson, £35.00). This is an annual award for a work of fiction, poetry, drama or non-fiction about Greek culture.

Derek Mahon won the 1989 Scott Moncrieff Prize (£1,400) an award for the best translation of a French book into English, with his translation of The Selected Poems of Philippe Jaccottet (Viking Penguin, £12.95). The Schlegel-Teack Prize for the best translation of a German book into English was won jointly (£1,100 each) by Peter Tegel for his translation of The Snake Tree by Uwe Timm (Picador, £11.95) and Quintin Hoare for his translation of

The Town Park and other stories by Hermann Grab (Verso, £10.95). David Luke received the 1989 European Poetry Translation Prize (£500) for his version of Goethe's Faust Part One (Oxford University Press £15.00, paperback £2.95).

The Betty Trask Awards for first novels (published or unpublished) by writers under the age of 35 were won by Nigel Watts (£10,000) with The Life Game (Hodder & Stoughton, £12.95), William Riviere (£5,000) with Watercolour Sky to be published by Hodder & Stoughton; Paul Houghton (£2,000) with Harry's Last Wedding (unpublished typescript) and Alasdair Mackie with Uncle Henry's Last Stand (to be published by Chatto & Windus).

The Eric Gregory Awards for UK poets under 30 were won by Gerard Woodward (£3,000); David Morley (£5,000), Katrina Forster (£10,000) and Paul Henry (£4,000). The Chobsonday Awards for Poetry, endorsed by the Dowager Marchioness of Cholmondeley, were awarded to Peter Didsbury, Douglas Dunn and E.J. Scovell. They each received £2,200.

John Heath-Stubbs, for his lifelong contribution to English poetry, was awarded the Howard Seargent Memorial Award (£1,000) - a new award in memory of the editor of the poetry magazine Outposts given by Marks & Spencer - and Medbh McGuckian the 1989 Cheltenham Prize (£500) for her book of poetry, On Ballycastle Beach (Oxford University Press, £4.95).

A new poetry competition worth £200, sponsored by Sonnet the CND periodical, was won by Ian Duhig for his poem From the Plague Journal (published in Dec/Jan issue of Sonnet). The first annual Anthony Power Poetry Festival Prize (£100) for the best first collection of poetry published in Britain was won by John Lucas for his Studying Gross on the Bus (Peterloo Poets, £4.95).

The City of Cardiff International Poetry Competition first prize of £1,000 went to Catherine Fisher for her poem Marginalia; Iona and the second prize (£500) went to Stephen Knight for At the Foot of Division Four.

The TSB Peninsula Prize covering 12 counties of the south west region of England (cash award of £1,500 plus £1,000 advance on royalties) was won by Philip Moyses for his first novel If Greedy Wait...

(Whetton Publishers, £8.95). The Portico Prize (£1,500) is awarded for a book of general interest and literary merit set wholly or mainly in the North West of England. Anthony Burgess won with Any Old Iron (Hutchinson, £12.95).

The Hunter Davies Award (£100) is given for the Lakeland Book of the Year, and this year it was awarded to Eric Wilson for Country Diary (Hodder & Stoughton £10.95) - a collection of regular diary notes written in and around Keswick. Shusha Guppy won the Royal Society of Literature's Winifred Holtby Prize (£750) for the best regional novel of the year with Elland Fold Horse (Heinemann, £10.95, Penguin £4.50).

The £10,000 Fullbright Raymond Chandler prize for spy and detective fiction writing has been awarded to the Indian-born novelist H.S. Shabara, who writes thrillers under the name of A.M. Kabell. Bad Money (Sphere, £2.95) and The Adversary (Sphere, £2.75). The prize includes a year at UCLA as writer-in-residence.

The Smarties Book Prize (£10,000), sponsored by Rowntree Macintosh, a major children's book prize, was won by Michael Rosen and Helen Oxenbury for We're Going on a Bear Hunt (Walker Books, £9.95, £4.00 each), and by Anne Fine for Bill's New Frock (Methuen, £5.95), and Robert Westall for Ellicombe (Macmillan, £5.95). They both received £1,000.

The 1989 Earthworm Award, the UK's "green" literary prize run by Friends of the Earth to encourage publication of books which help children enjoy and care for the earth, was awarded to Judy Allen (£1,000) for her book Awaiting Developments (Julia Macrae, £5.95).

Martin Waddell and Barbara Firth won the Emil/Kurt Mascher Award (£1,000) for their adventure tale of three boys The Park in the Dark (Walker Books, £5.95). The award is given to a children's book for its excellence in matching text and illustration.

The 1989 Mother Goose Award (£1,000) for the most exciting newcomer to children's book illustration was won by Charles Fuge for his book, Bush Vark's First Day Out (Macmillan Children's Books, £6.50); Amanda Harvey won the Macmillan Prize for a Children's Picture Book (£500) for her work A Close Call (Macmillan, £4.95). The award is open

exclusively to art students and aims to introduce fresh, new talent into the world of children's book illustration. The second and third prizes were won by Simon Buckingham and Emma Phillips.

The W.H. Smith Award for illustration (£3,000) was won by Geoff Fisher for a cover design for New Scientist captioned A Better Beast of Burden. The winner of the Sunday Times Small Publisher of the Year Competition (£1,000) was Serpent's Tail.

The Biography Award given by Nelson Hunt and Marjorie Lloyd Brooking Group (£3,000) was won by David Gilmore for The Last Leopard: Life of Lampedusa (Quartet Books, £15.95) and Margaret Forster won the Royal Society of Literature's W.E. Heinemann Prize (£4,000) for her biography of Elizabeth Barrett Browning (Chatto & Windus £14.95). The Fawcett Book Prize (£500), awarded for "the book which does most to illuminate women's position in society today," was won by Stevie Davies for Boy Blue (The Women's Press, £3.95).

The Science Book Prize (£1,000 each) under the auspices of Copus (the Committee on Public Understanding of Science) encourage authors of popular, non-fiction science and technology books, written in English, were won by Roger Lewin for Bones of Contention (Simon Schuster, £14.95), and David Macaulay and Neil Ardley, joint authors of The Way Things Work (Dorling Kindersley, £15.00).

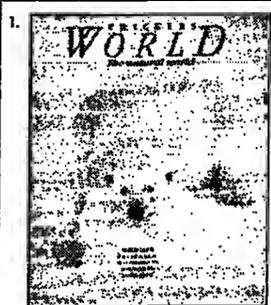
Better Together (Hodder & Stoughton, £12.95) by David Sheppard and Derek Warlock, won the 1989 Collins Religious Book Award (£2,000). The H.H. Wingate Literary Awards for a fiction work and a non-fiction work which best stimulate awareness of themes of Jewish concern among a wider reading public (£2,500 each) were won by Ahron Appelfeld for the novel Fare Every Star (Weidenfeld & Nicolson, £11.95) and by Anthony Read and David Fisher for Kristallnacht (Michael Joseph, £16.95).

The William Hill Sports Book of the Year Award was won by Daniel Topolski and Bruce Robinson, joint authors of True Blue (Doubleday, £12.95). They each received £750.

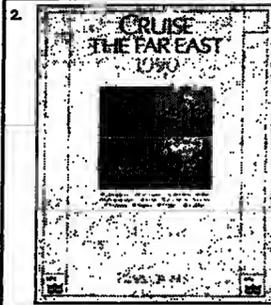
Two new awards to be made next year announced by the Society of Authors are the Frevo Prize (£7,500) for second novels and the McKitterick Prize (£5,000) for first novels by writers over 40.

For further information about literary awards in the UK there is A Guide to Literary Prizes, Grants and Awards available from the Book Trust, Book House, 45 East Hill, London SW18 2JQ (£3.25, post free).

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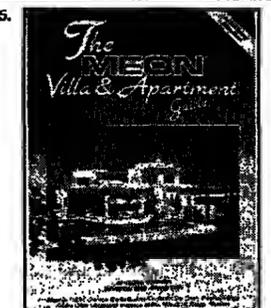
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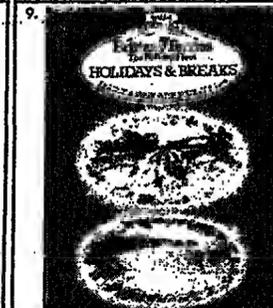
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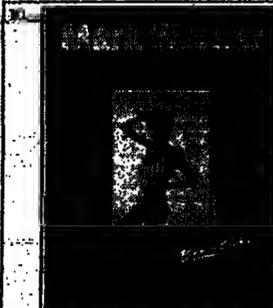
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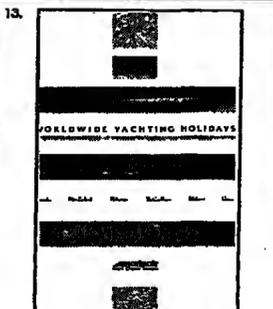
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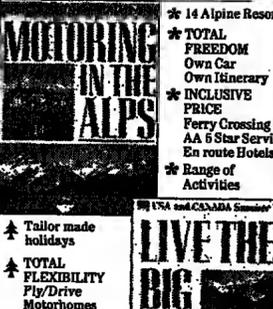
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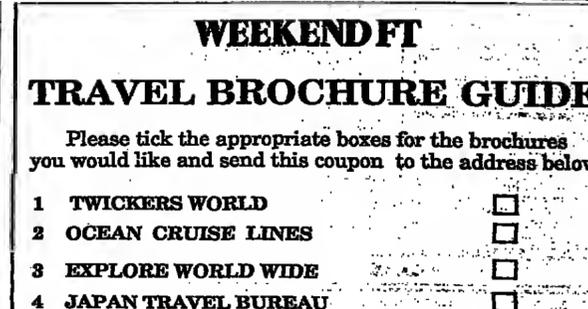
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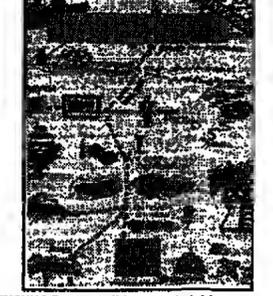


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TRAVEL

Civilised suggestions...

I HAVE visited many places. Many more have never heard of me. As a result, one of the greatest pleasures I get from travel - it can't be airports, or flying, or injections, or the food you get in America, or hotels that sabotage your bill with sneaky surcharges - is visiting new places. Not unfinished places, like the Algarve, which should be able to stage its grand opening by the time man colonises the moon, but ones that are ready for business.

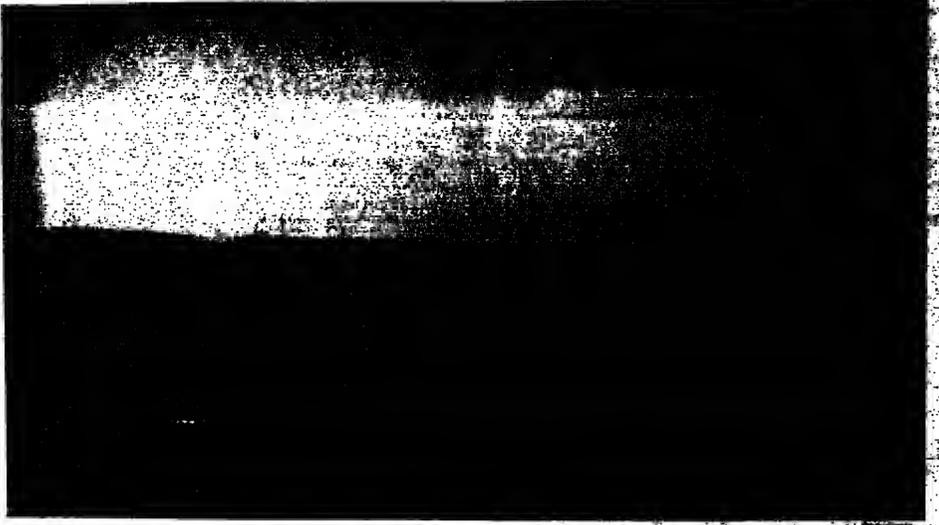
What I have done is rifle through a large armful of up-market brochures in search of new places and ideas - new to me, that is, if not particularly to you. I was not looking for cut-price travel, or for thrills cheap and nasty, so most of these holidays are expensive. The selections are not meant to be comprehensive (there are many more where they came from - ask a good travel agent).

And they are certainly not meant to pander to the dreadful hearties: there is a marked absence of walking, trekking or rock-climbing holidays, let alone cycling opportunities in Nepal or camping mini-breaks in Jamaica.

They are primarily aimed at people who are civilised, witty, fond of Rakhmaninov and in love with islands - just like me. If you drive a Rover, or any other English make of car, you will be even closer to the centre of the target audience. In short, these are some of the holiday offerings for 1990 that somehow catch my fancy.

I am not gregarious enough to be a typical Club Med type but I like the sound of *Club Med 1*, a wind-powered ocean liner which cost £50m and marks the debut in the cruise market of this well-known organisation (about to celebrate its 40th birthday). The vessel is described as "the largest sailing ship ever to exist" - a five-masted, 10,000 ton vessel with 2,800 square metres of sail and seven decks ("built of Burmese teak") which will carry up to 425 passengers, 62 guests' organisations (guests' hosts), 90 service staff and 32 seamen.

Built in Le Havre, *Club Med 1* is due to make her maiden voyage across the Atlantic next month. The inaugural cruise, starting at Pointe-a-Pitre in Guadeloupe, takes place in February 1990. In winter, *Club Med 1* will operate in the Caribbean; in summer, in the Med. Prices vary, but the cost of a two-berth cabin (not including flights) for the Caribbean seven-day-seven-night cruise will be £1,294-£1,523 per person. Single cabins: £2,022-£2,501. Suites up to £1,578 per person. The UK brochure will be available from Jan 19 (tel: 0635-38450; reservations: tel: 581-1161). *Club Med's* general brochure for 1990 features 78 holiday villages worldwide, with 54 resorts served directly from London and 11 new services on offer from Manchester.



Fishermen of Madagascar. In the 1990s, the emphasis is expected to be on exotic, adventurous and expensive travel.

If you are really into up-market cruising then the Seabourn Pride and Seabourn Spirit, operated by the San Francisco-based Seabourn Cruise Line, might fit the bill. What Seabourn says it offers is "more ship for fewer people" - full-size vessels that carry 212 passengers against 400 for similar-sized ones. There is a full 1990 programme of Caribbean and Med cruises. Prices are distinctly unbeatable but all gratuities are included in the fare, and Seabourn says it provides trip cancellation, trip interrup-

tion, baggage and travel delay insurance at no additional cost. Seabourn Cruise Line, 55 Francisco St, San Francisco, CA 94133. Tel: (415) 391-7444. Tel (London): 01-625-1536.

Some of the most exotic cruises are those organised by Society Expeditions, which has two specially-designed five-star expedition ships, the 100-passenger *Society Explorer* and the

140-passenger *World Discoverer*. I haven't been on them, but they are said to feature "gourmet cuisine." Each ship carries "Zodiacs" - small inflatable landing craft that allow passengers to reach hard-to-get-at spots. Itineraries include Antarctica and the Falklands, the Canadian Arctic, and Polynesia and Micronesia. Expeditions last from 15 to 30 days with prices from about £3,000 per person for double occu-

pancy, inclusive of air travel from London. Information and bookings: tel: 01-837-9951. A brochure that gives me much pleasure is *Elegant Resorts of the South Pacific*, put out by a company called *Elegant Resorts Australia*, that covers the pick of up-market locations in Australia, Tahiti, the Cook Islands, Fiji, Hawaii and the South Pacific gener-

ally. For £3,395 (Feb 1-March 30 1990) you can circle the globe: London, Singapore (three nights), Sydney (three), Christchurch (two), Auckland (three), Fiji (four), Rarotonga (three), Tahiti (three), Los Angeles (two), Orlando (four), London. You stay in excellent hotels. Single, first class, business and Concorde supplements available on request. There is a flight supplement of £30 from Manchester which

sounds mean to me, so make them an offer. Tel: 0844-526280. Also available: *Elegant Resorts of the Caribbean*, tel: 0844-526971.

Equally glamorous is the *Islands Alternatives* brochure put together by travel expert David Butler for Alternatives, a member of the Blackon Group. The brochure includes Barbados (don't stay at Sam Lord's Castle; you might not like it), Nevis, St Kitts, St Lucia, Bermuda, Mauritius, Bangkok, Bali and two of the best Great Barrier retreats off Australia, Bedarra and Lizard. Brochure: tel: 01-760-2889.

I also like the look of the *Tradewinds Asean* brochure, covering touring holidays in the six countries of the region: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. All travel is by scheduled airline. *Tradewinds* and David Kavan says: "We have experienced our biggest growth in the Far East over the last three years, and I foresee a similar pattern over the next few years. For value and variety it is unbeatable."

Continued on next page.

This page: Michael Thompson-Noel daydreams about *The Great Escape*. Opposite page: Three FT writers explain their travel choices

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TRAVEL

... for sophisticated travellers

Continued from previous page

New this time is a three-centre tour combining Bali with Bangkok and Singapore...

If I were very rich I might spend part of each year gliding gently between the hotels and resorts operated by Regent International...

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Canada needs all the tourists it can get, and offers splendid scope for travel. A useful brochure of activity holidays is that of Accessible Isolation Holidays...

Abercrombie & Kent is always swiftly of the mark, and is now offering a jaunt into Russia on the Anna Karenina...

Two years ago I had an excellent week's break in a villa on Ibiza, the trip being organised by Moon Travel.

Into Africa

SOMETIMES infuriating, always memorable, Africa will us to return. I am not thinking of the tourist beaches of Zanzibar...

I can see us now, lying silent on our backs, no cars, no motorbikes in hand, in the warm dust next to some sluggish brown river...

From this riverside vantage point, the most momentous news of the world is that the BBC World Service seems absurdly remote.

It does not matter whether you have gone by aeroplane to the Kwanao swamps in Botswana, by car to Zimbabwe's Mana Pools...



Best foot forward: sights like this encourage a return to Africa

Ceps, truffles and Medoc

IT IS November 1. All Saints Day, and at Vencac - deep in the Haut Medoc - the village's 14 licensed hunters are out in force...

TRAVEL IS one thing, holidays are another. The further people go and the stranger the countries they visit, the more they are packaged and bottled...

Haut Medoc supermarkets discount their vintage claret. They do not, however, discount their mushrooms, truffles or foie gras.

Ingredients of haute cuisine for granted. They grow or shoot them. Which brings us back to that doe. Yes, they shot her. Yes, we have an undeveloped shot of the two of us grinning through the rain over her corpse...

For these you must go to Vencac, and ask at the bar for Vincent Santo, the mushroom man. His wife Georgette makes the foie gras, and as for the truffles these do not officially exist - at least until the weekend stay at the Old Cataract Hotel...

My only regrets would be the music, food and wine. But there's plenty of that at home. You can't have everything - only nearly everything.

Torpor and romance

TRAVEL IS one thing, holidays are another. The further people go and the stranger the countries they visit, the more they are packaged and bottled...

It is a place where sailing boats drift like swans round islands carved into elephants of stone. On one bank the desert is red, on the other a vivid yellow.

In the Government guest house at Abu Simbel, returning by air for the view. Otherwise I would leave the Pyramids and their monuments alone.

Not as mad as it sounds

Tim Burt visits Loon, a US resort geared to the family

RIDING THE gondola to the top of Loon Mountain, one of the Americans recalled: "Sure, I was in London. Somewhere on the Northern Line - give me some stations."

Loon is an exception. It responded to the boom in weekend skiers driving up from Boston and New York with a new hotel at the foot of its Lower Claw trail and a village of condominiums.

Stowe's greatest asset is Mount Mansfield, the highest peak in Vermont with an average natural snowfall of more than 20 ft a year.

His passion for the area is shared by Jim Arnold, director of mountain services at Mount Mansfield. Arnold admits that Stowe is not the most modern resort and cannot offer thousands of slope-side beds, but whatever we lack, we have



Chuck Woodman of the Loon Mountain Recreation Corporation says the resort aims to attract family skiers who prefer gentler trails serviced by snowmaking machines...

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ARTS

A bang or a whimper of a decade?

Christopher Dunkley

How unsurprising that A.N. Wilson (Harold's elder sister?) should find no memorable cultural or artistic phenomena from the 1980s when she insists upon limiting herself to pre-20th century forms of expression. Of course the 1980s will not be remembered for paintings, sculptures, operas, symphonies or poems. Why should they be? They will be remembered for The Singing Detective, Edge of Darkness and Heimat. Also for something called Brideshead Revisited which dear old A.N. Wilson probably imagines is an important novel but Catholicism, familiar to a little group of literary aesthetes. No doubt there were Elizabethan commentators who regarded Homer as an important story by Balfour. In the 1980s Brideshead became a powerful cultural experience for millions of "viewers." These are people who watch something called "television." The roots of the work are in both Greek and Latin, perhaps Wilson should borrow one from the anpsir.

Anthony Curtis

A.N. Wilson doesn't include the novel. I wonder why? He does say poetry. Well, no-one has come up with a rival to The Waste Land or Easter 1916 in the 1980s, that's for sure; but we do have poets like Heaney, Fenton, Moton, Morrison, Porter, Tomlinson, and dozens of others, responding to contemporary life in their work in volumes of poetry, appearing regularly from publishers big and small, that makes me think that what Eliot called "the tradition" is alive and well, is indeed flourishing. Poets nowadays have a sense of history, recent history, that makes poetry much more relevant to our global sense of suffering than it used to be.

Max Loppert

People who make statements of the "there have been no good new operas/symphonies

I can think of 30 memorable paintings, sculpture, opera, symphony or poem which the ten years have produced

The novelist and critic A.N. Wilson this month issued a damning verdict on the art of the 1980s. Here, our critics nominate their choice of the decade's masterpieces

In the 1980s variety are usually exhibiting a pernicious brand of superior (and self-deceiving) philistinism. What they really mean is: "There have been no good new operas/symphonies exactly like our old favourites."

The 1980s provided good new examples in all the A.N. Wilson categories - so easy to list that it's almost embarrassing to have to do so - but their value lay in their joyous newness, not in their well-earned formal familiarity which is no doubt why the A.N. Wilsons of this world had difficulty in appreciating them.

Just to pick a handful of examples out of the air: I think anyone incapable of recognising works of the quality of Bertolt Brecht's In the Company of Judith Weir's A Night at the Chinese Opera (among the operas) or Alfred Schnittke's Fourth and Fifth Symphonies (among the symphonies) is an intellectual ostrich.

William Packer

The 1980s have been a remarkable period for British art. Some younger artists may have been overpraised, but most encouraging has been the way in which more mature artists are at last being given

their due, not on grounds necessarily of innovation or originality, but of quality. Gillian Ayres, Bridget Riley, Paula Rego, Elizabeth Blackadder, Carol Weight, Roger de Grey, Leon Kossoff, John Bellamy, Euan Uglow are only those that come readily to mind. But the two stars of the decade have been Frank Auerbach and Lucian Freud. For me one work of unquestionably great art produced in the 1980s is Freud's large conversation piece, based loosely on Wetstein's tiny "Pierrot Content," the "Large Interior W11" of 1983. I said so then, and I think so still.

As in all recent decades, sculpture too has flourished. Kapoor, Nash, Cragg, Long, Deacon, Woodrow, Flanagan, Goldsworthy, King, Sandle, Paolozzi have all been notable in their different ways. But for me the particular images are those of Dhruva Mistry's fabulous symbolic beasts.

Michael Coveney

It was the decade of the blockbuster, starting with Nicholas Nickleby at the RSC and ending with Peter Brook's The Mahabharata, both narrative masterpieces in contrasting, highly wrought styles. Only Stoppard of the 1970s brand name dramatists produced an exceptional play, The Real Thing. Plays of the 1980s Irish - Brian Friel's Translations and Frank McGuinness's Observe the Sons of Ulster Marching Towards the Somme - and public affairs like David Hare's The Secret Rapture and (with Howard Brenton) Prayers. Andrew Lloyd Webber's Cats and Phantom of the Opera were innovative and significant entertainments. Michael Frayn's Noises Off was the funniest play in English since the last War. A.N. Wilson was a bit of a hoot, too.

Nigel Andrews

The 1980s were widely tipped as the decade in which the cinema would die. Instead the cinema has bounced back to health. Attendances rose year by year after reaching rock bottom in mid-decade. And



Modern masterpieces: (top left) Robert Langdon Lloyd and Ryszard Cieslak in The Mahabharata; (top right) the dowdsite of Brideshead Revisited; (left) detail from Lucian Freud's Large Interior W11, and (right) the dowdsite of Brideshead Revisited

what same filmgoer could write off (10 years that gave us the haunting ET (the best ever sci-fi fantasy), the amazing Blue Velvet (a deep-sea dive into psychopathology), the towering Run (Kurosawa taking King Lear to Mount Fuji), the spectacular, underrated Heaven's Gate, the crackling Raging Bull, or the rise and rise of a remarkable army of British directors (Ridley Scott, Stephen Frears, Peter Greenaway, Terence Davies). 1980s, follow that.

Andrew Clements

The problem is not where to look but what to choose in the richest decade for opera since

the 1950s. But Britwistle's The Mask of Orpheus (staged by ENO in 1986) was a landmark not just in the history of British music, but in the development of opera in this century. Questioning all our most cherished assumptions about narrative and linear form, and redefining the primeval relationship between music and theatre, it is one of those precious art works whose first appearance was extraordinary and yet now seems inevitable, as if it had always existed in its own timeless world.

Clement Missp

The decade began with masterpieces, the last creations by

George Balanchine: Davidshullerian; Monstrous; the Garland Waltz from The Sleeping Beauty; and the choreographer's expressionistic farewell to us with the adagio lamentoso from Chalkovsky's sixth symphony.

The decade was nearly over when, last December, Mark Morris staged his L'Allegro, II Penseroso, II Moderato in Brussels and showed how music and poetic images could crowd the dance with splendour. In the years between, Merce Cunningham and Paul Taylor have produced a tremendous body of work whose cumulative effect is to make the 1980s a superb time for American dance.

Gillian Darley

Architecture is a mirror of society; trends in building reflect our priorities. Unmolested out-of-town shopping centres and science parks can't wipe filthy cities, deteriorating schools, hospitals, prisons and housing from the record. Monuments of this decade reflect commercial confidence - the Lloyd's building, by Richard Rogers, or Norman Foster's Hong Kong and Shanghai Bank. The Eighties embraced post-Modernism from TV-ant's eggheads to the current revamping of London Wall (Terry Farrell both times) as well as tendencies neo-classicism and a new Modernism

exemplified by the FT's printworks by Nicholas Grimshaw. The best work of the decade combined new technology with old skills - James Stirling's Stuttgart Staatsgalerie, a tower de force of stone masonry, Michael Hopkins' stand at Lords, of loadbearing brick topped by soaring tensile polyester. But for me the magnificently ambitious South transept of York Minster, traditional in its craftsmanship, but incorporating sophisticated technology to prevent lightning striking twice, is the most optimistic pointer towards change and continuity in the 1980s.

Rodney Milnes

The general critical consensus was that Judith Weir's A Night at the Chinese Opera (Cheltenham 1987) was the most exciting first opera by a British composer since Peter Grimes. Weir's musical language is at once approachable and intriguingly multi-layered, and the subject matter, veering from broad farce to the most tragic of all, despite the brilliance of Richard Jones' premiere production, one could imagine it being staged in a variety of different ways - it has a future as well as a present. Ken Scott, an artist at any time, has inevitably been rewarded by being closed down by the Arts Council.

Alastair Macaulay

Surely no art produced as many great works in the 1980s as dance. True, few people here realised that, because the best was made elsewhere, and visited these shores too occasionally to show the dance-shy British that dance can be a major art. George Balanchine, who died in 1983, was as supreme an artist as any the century has known - classical, romantic, modernist, intimate and grand - and in peak form right up to the 1981 Chalkovsky Festival. Merce Cunningham has made, roughly, one masterpiece per year, from Dances (1980) to August Pace (1988); and Mark Morris, who showed his first professional choreography in 1980, has been the decade's great discovery.

Richard Fairman

From a decade with more music than any before I select a few. The most representative: Witold Lutoslawski whose flowering of late works has continued apace with the Third Symphony, the Piano Concerto and a host of instrumental and orchestral pieces. If Mr Wilson wishes to settle for one in particular, I think it can only be which to choose.

UNLIKE HER sisters, the Muse of Song has to perform to survive. In the museum at Olympia there is a splendid stone inscription of a hymn that sets out words and notes, with what one takes to be rhythmic annotation, so clearly that it almost makes the music come alive.

Almost, but not quite. Unfortunately we still do not really know how ancient Greek music sounded and it is a sobering thought that sets out words and notes, with what one takes to be rhythmic annotation, so clearly that it almost makes the music come alive.

The gramophone, now over 100 years old, has built up a treasure-house of recorded material so great that it is difficult to believe access to the performances it holds could ever be destroyed completely. As the technology progresses - from shellac 78 to vinyl LP, from LP to compact disc - so the recordings themselves are transferred to a new life.

The two great record companies of the 78 era, His Master's Voice and Victor, are happily still with us (although parading these days under the names of EMI and BMG respectively) and in the past year they have both started to delve deep into their vaults of historic recordings, familiar

and unfamiliar, for CD. The new "RCA Victor Vocal Series" from BMG is full of unexpected rarities. A vocal disc by the American baritone Leonard Warren (GD 87807), captured five on tour in the Soviet Union in 1953, has been available in this country before, but has almost twice as much material in its new CD version. Another disc features the celebrated soprano Lotte Lehmann (GD 87808) not only in German Lieder, but in a remarkable mixture of French, Russian, English and Italian songs.

These are the sort of recordings that were probably the rarest collector's items a year or so ago. Now they are freely available in excellent sound and at a fraction of the cost. (Life is hard as a collector of rare recordings: if in doubt, buy with paintings or antique furniture.) Anybody wanting to find out why the pre-war singers are so well worth hearing will also

need to investigate the excellent selection in this series from Rosa Ponselle (GD 87810), The Schiava (GD 87809) and Lawrence Tibbett (GD 87808). Only EMI holds archives that can yield a richer reward. This is the one company that has always been aware of the value in its treasury and for that reason it is surprising that it has not capitalised more fully on the potential of releasing 78s on compact disc before now. Only in the past year has a significant number of the "References" series reached the market, though the quality of what we are getting is likely to silence any previous grumbles.

In order to enhance the standard of sound reproduction on these issues, EMI has acquired the use of CEDAR, a system developed in Cambridge to restore old, damaged or otherwise unsatisfactory recordings. One example of the marvels it can achieve occurs on the Eva Turner disc

(CDH 7 63761-2), where the only surviving copy of Dame Eva singing Elisabeth's Greeting from Tannhauser, previously known in three pieces, comes up as good as new.

Although Dame Eva (now 97) has never been forgotten in this country, it was good to see this disc getting royal treatment in one of the leading Italian music magazines as well, thereby reviving memories in that country of her international career, rare for a British singer at that time. Wagner singing of the kind she practised - steady of tone, beautiful of line - cannot be cast aside lightly.

Another fine example in this series comes with the disc of Lauritz Melchior (CDH 7 63768-2). It is doubtful whether a British singer at that time, even since the war and there has certainly been nobody who could sing Tristan with as much sensitivity, making music out of

Wagner's vocal lines where so many bawl or rant. Also recommended are the Tito Schipa (CDH 7 63200-2) and Claudia Muzio (CDH 7 63784-2) discs. The latter, in particular, was an artist of powerful convictions, striking deep into the heart of her music.

Of all this series, though, there is a special value in the disc devoted to Sena Jurinac (CDH 7 63199-2). A few years ago this would barely have qualified as historical at all, as no track on it dates from before the war. But there is every reason to regard the singing on it as of historic import when it is as glorious as in this account of Strauss's Four Last Songs under Fritz Busch, so full of radiant spring sunshine in every way. Finally, from EMI two brand new sets of Lieder - one dating from 1936, the other from the 1950s.

Elisabeth Schwarzkopf (CBS 7 61043-2) was at the height of her career when she gave the Carnegie Hall recital in New

York that has been tracked down here. Despite disturbing signs of the technical weaknesses that were to become prevalent in later years, the singer brings Schubert, Wolf and Strauss with a spontaneity that she never really equalled in the recording studio.

The other set is a three-CD box from Dietrich Fischer-Dieskau (CBS 7 63167-3) featuring the singer's recital of Schubert live, from the Salzburg Festivals of 1962 to 1964. Again the artist is at the peak of his powers, investing every one of the well-known Schubert songs in his second programme with a beauty of voice and a sweetness of touch that one hardly feels justified in demanding of an artist performing live. Gerald Moore is accompanist.

These will surely rank among the historic recordings for future generations. Let us hope that when the next technological revolution occurs that they too are preserved in what is then the best possible medium. The muse of song must not be allowed to fall silent.

Richard Fairman

Records

The Muse plays on in modern dress

acquired in late 17th and early 18th century Britain, even before the arrival of Mary. Not all of it is what one might expect. As well as the consummate examples that come to mind when we think of Kakiemon, there are cruder, provincial pieces, unexpected shapes, and early experimental green and blue palettes, as well as blue and white from the Kakiemon kilns. There are figurines as well as vessels, and such splendid objects as the Burghley elephant. Its appearance in the Burghley inventories confirms that the Kakiemon palette was fully developed by 1688.

Dr Impey encourages us to review the term Kakiemon (the name of a family of potters, or enamellers, or the name of a kiln?), and to use it in differing ways at different periods to describe the porcelain made in and around Arita. For its influence on fine European porcelain manufacture, we must await the "Porcelain for Palaces" exhibition which opens at the British Museum in London in July.

The Oxford showing is, if you like, the academic version. It is, however, a case in point of how to display works of art to their least advantage. The glory of these exquisite porcelains lies in their sparseness of decoration and expense of luminous white body. How can these be best appreciated brightly lit and set against ivory silk? Christie's approach is altogether more atmospheric and theatrical and fun (curtain up on January 25). George Carter has designed a set along the lines of Queen Mary's closet at Hampton Court. Garlands of blue and white form porcelain pyramids on the stopped shelves above corner chin-



The Burghley elephant, a splendid specimen c.1680

neypieces, and garlands to frame glass and canvas. The Kakiemon enamels will glow like gems against a background of trompe l'oeil tortoiseshell panelling. George Carter is also designing an extravagant setting for "The Glory of the Goldsmith," some 240 first-class pieces of gold and silver drawn from the collection, housed in England, of His Excellency Mohammed Mahdi Al-Tajer, the United Arab Emirates first Ambassador to the Court of St James. Long gone are the days when plate

is one of the finest and more comprehensive collection of European plate in the world, in or out of a museum. In date it ranges from an austere Aragoneses ewer of around 1500 to late 18th century racing cups; quality and condition are uniformly high. If it could be described as having any weakness, it is in early German silver. Its great strengths are English Regency plate and French Empire, notably the silver-gilt pieces from the superlative Demidoff "Victory" dinner service made by J-B-C Ollivier in 1817.

There is too much of excellent quality to make any brief selection inevitable, but there are a number of pieces that simply should not be missed. Here, much to my delight, is a fantastical rococo ewer and basin by Charles F's goldsmith Christian Van Vlieten in the "arabesque" style. From its restless surface emerges a profusion of undulating scrolls, masks of men and beasts, drops and swags. The ewer (see its lid) is raised from a single sheet of silver. A great curiosity is the silver-gilt shield designed and modelled by John Flaxman following Homer's description of the shield of Achilles.

A dining room is being created to display a uniquely intact and near complete George II dinner service, made for the Duke of Leinster by George Wickes. To represent the rest of the collection, there is a "wunderkammer" housing bejewelled snuff-boxes and scent bottles, miniature and clocks, Renaissance pendants, mounted rock crystal and semi-precious stones, and, reputedly, the largest pearl in the world. Standing guard is a "real" curiosity, the silver dwarf from Mentmore, thought to represent Queen Henrietta Maria's favourite, Sir Jettory Hudson, who, 18 in high, popped out of a pie served to the Queen in 1615.

"The Glory of the Goldsmith" is on view at Christie's January 3-21; "Kakiemon: Flowers of Fire" (sponsored by Glaxo), Jan 25-Feb 9.

This rough old magic

PILLARED, garlanded, chrysalid-borne, un-crowned, statue-footed, canopy-hooded, brick-red and dull gold interior of Manchester's Palace Theatre is ideal for the old-fashioned spectacular pantomime, down to the family party spread over two boxes, the adults sporting silly paper hats, the children an air of palpable embarrassment.

The ubiquitous Paul Elliott has brought a *laudanum* to Britain's (theatrical) second city this season. The sets combine spectacle with durability and will be again; elaborate if not glittering, many-layered toy theatre-type wings, firmly painted flat - generously if inaccurately chucked a dash of ancient Egyptian monumentalism into the geographical span between Baghdad and Old Cathay. And the terpsichorean lots of the Burghley School of Dance, founded by Betty Buckley over 40 years ago, add their own magic.

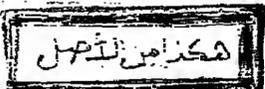
There are star names. Presumably regular television exposure accounts for the prominence of Paul Nicholas (*Close to Home*) and Paul Shane (*Hi-De-Hi*) in the billing. The one real star presence is named third: Eartha Kitt, no less, as the princess turned by wicked Abanazar into the Slave of the Ring. She makes a sinuous, purring figure, that

intimate rasp of a voice as whole-hearted in panto dialogue as in asserting in song that there's not enough magic, blowing bubbles, eating, kissing or seeking rainbows any more.

Tudor Davies' script is sharper than most and disarms us with such villainous snarls at the conventions as "An ageing pop star with a transvestite for a mother" in Act 2. Widow Twankey has the makings of a great dame; if only he had the discipline not to milk flirts and hitches for laughs. Nicholas is no more than a TV sitcom star, though amiable enough, and Fionn Kennedy's Princess is described as a "vibrant personality" in the programme. (Such flights of fancy presumably explain the £1.50 demanded for 12.)

Much play of green lasers and references to Dr Who for Sylvester McCoy, better as the Slave of the Lamp than as the feebly over-played Caliph. Peter Blake's wicked Abanazar is first-rate, evil projected with just the right relish. There are jokes about Moss Side, Dickory and Alex Ferguson (no joking matter, some would say). The children join in lustily, whether in backchat, song, or shrieking "Bub!" at all the appropriate moments - and a few inappropriate ones too.

Martin Hoyle



SPORT

Tennis

Becker and Graf's year

John Barrett looks at the 1989 world rankings

FOR THE first time ever, two Germans head the rankings for 1989. No-one would dispute that Boris Becker and Steffi Graf are the best players of 1989 - even though the unbalanced eye of the ATP computer still insists that Ivan Lendl is the men's No 1. Don't blame the computer, though; argue with the men who devised its ranking programme.

Significantly, even before Becker had lost to Stefan Edberg of Sweden in the Nisisco Masters final, Lendl himself (an Edberg victim in the semi-final) had generously acknowledged that Boris is the world champion for 1989. A day later, this accolade was duly awarded by the selection panel of former champions - Fred Perry, Frank Sedgman and Tony Trabert.

Becker's two major suc-

cesses this year occurred at the two most important championships: Wimbledon, where his third title in five years was gained at the expense of Edberg, and the US Open, where he won for the first time by out-serving and out-lasting Lendl in the final on a sweltering New York day. Before that, the 22-year-old German had shown his growing expertise on slow European clay by going through to the semi-finals of the French Open.

But it was Becker's majestic Davis Cup performances in straight two sets ago that revealed his growing maturity and his natural qualities of leadership. On the first day, after Mats Wilander had gained revenge in five sets against Carl-Uwe Steeb for the beating he suffered at the West German's hands in 1988, Becker came out simply confident and proceeded to

overpower Edberg just one week after losing helplessly to the Swede at the Masters. In the doubles the following day, he nursed a nervous Eric Jelen through a testing match to gain the vital 2-1 lead at the expense of Anders Jarryd and Jan Gunnarsson. That alone was a mastery performance. Then, on the last day, he clinched victory for his country by thrashing Wilander in straight sets. It was an awe-inspiring sight. His 6-2 6-2 win in 105 minutes was probably the most emphatic Davis Cup victory ever in such a situation. Becker's commanding physical presence that day, and his utter contempt for the world champion, reminded me forcibly of that great Australian of the 1950s, Lew Hoad.

With 10 tournament victories in 1989, including a first Australian Open, Lendl holds the No 2 spot comfortably ahead of

spell that included successive victories over Chang, Becker and Edberg in Cincinnati. It was an impressively consistent year.

His compatriot, Aaron Krickstein, also had an outstanding season, his best since arriving on the scene as a teenager in 1985. His three tournament wins and a semi-final finish at the US Open clinched him the No 7 place ahead of the Australian Open finalist, Miloslav Mecir, who had another injury-plagued year.

In ninth and 10th places are Tim Mayotte, a quarter-finalist both at Wimbledon and the US Open, and Andre Agassi, the sixth American in the list. Last year's No 5 player with six tournament wins, Agassi won only in Orlando in 1989 and chose not to challenge in Australia or at Wimbledon. His fading reputation was saved only when he reached the semi-finals of the US Open.

As footnotes to the men's list, it is sad to record the departure of Wilander, last year's No 1. He has had an abysmal year in which he reached only one final.

Graf's spectacular year was marked by two key moments. The first was a defeat by Gabriela Sabatini on clay in Florida in the spring; the other that nailing loss to the exuberant Spanish girl, Arantxa Sanchez Vicario, in the French final when Graf was off-colour in the way that ladies sometimes are.

A win here would have kept alive her chance for a second Grand Slam. She had already won in Australia and then went on to retain her titles at Wimbledon and the US Open. This, she has to be content with. In 1988, she had won from 11 consecutive finals, starting with her victory in Paris in 1987. It is a remarkable run.

Martina Navratilova's own remarkable run, spanning a decade in which she was six times ranked No 1, seems to have come to an abrupt end. Despite winning eight singles and seven doubles titles, the self-exiled Czech will count it a poor year because she could not add to her 17 Grand Slam singles successes.

The decision to rule Paris to concentrate on Wimbledon titles since 1974.



On top of the world: Graf and Becker at Wimbledon

You will all be able to share some of those memories at 6.15 pm tomorrow on BBC 2 in Chris Evert's Wimbledon Farewell.

Then, at Finishing Meadow, there was another emotional farewell. First, Chris gained a magnificent 6-0 6-2 revenge against young Monica Seles, who had beaten her in the Houston final. After that faultless display of accuracy and consistency, which brought her a 100th US Open singles win, Chris was beaten in the quarter-final by Zina Garrison, who herself had a tear along with many of the 19,000 spectators present as the six-times former champion made her dignified departure.

Seles, who turned 16 earlier this month, is the discovery of the year. In a superb French semi-final she gave Graf the first of her life and then reached the fourth round both at Wimbledon and the US Open. She is a worthy No 5.

Below her, there is little to separate Garrison, who won three tournaments; Helena Sukova, who won one but reached the Australian final; Manuela Maleeva, who claimed two titles; and Catarina Lindqvist, the first Swedish woman to reach a Wimbledon semi-final. Each had good moments without finding the consistency to challenge the leaders.

Football

Sleepless nights ahead

AMONG THE side-shows accompanying the draw for the finals of the World Cup in Rome, nothing was more dramatic than Luciano Pavarotti singing the aria *Messa D'ora* - None shall sleep tonight - from *Turandot*. But as opera's man-mountain reached for his ringing top B, it was easy to imagine that soaring to the inhabitants of Serdinya.

There had been consternation on the island when England were booked to play all their first round matches at Cagliari, the island's capital, so that the carabinieri could more easily control the English.

In the old days Italy used to boot its troublesome citizens off to Sardinia, the Sardinian action party, "and now it's doing the same with troublesome foreigners." Nor was Luis Suarez, manager of Spain, happy with the decision. His country's record made it an equally strong candidate for seeding, and he muttered darkly that it was now clear that he should have approached the rent-a-hooligan agency instead of concentrating on football.

The country no-one wanted to see in England's group was Holland, whose hooligan problem - at least at club level - is if anything worse. A season marked by violent incidents reached its climax in Amsterdam during September when two home-made bomb exploded in the stands. Nevertheless, with the implausibility of an operative plot, the last name drawn to play in England's group was indeed that of Holland, thus ensuring sleepless nights throughout Cagliari this summer.

One of those tossing and turning will be England's manager, Bobby Robson, in Holland and Jack Charlton's confident Republic of Ireland, the first team England will meet on June 11, he faces two of the countries' which defeated England in the European Championships. The fourth team in this formidable group F, which also plays in Palermo, will be Egypt, whose only previous participation was in 1984, when the finals were hosted for the first time in Italy.

Suarez, on the other hand, must have been delighted when the draw placed Spain in group E, playing in Verona and

Udine, and headed by Belgium, the weakest of the seeds. This is probably the most open group since the other teams have proved themselves difficult opponents. Uruguay will give negative play, but now they have a strong squad with five have been playing for years. There is also a gifted team from South Korea.

The always formidable West Germany will be in Group D, which plays in Milan. Current goal-scoring king, Gerd Muller, will be playing for Inter Milan (Brehme, Matthaus, Klinsmann) and two for Roma (Voller, Berthold). Franz Beckenbauer's team should feel at home, and have been given a group which is among the least demanding. The strongest opponents will be Yugoslavia. In spite of losing a star player in Mehmed Basarevic (banned for a year for spitting at a qualifying match), they can still call on the glittering midfield skills of Dragan Stojkovic.

Czechoslovakia have no outstanding stars, but Florentin Lupulescu will have up-to-date knowledge about the form of the Italian players, while the other centre, Florentin, could witness a surprise to compare with the US defeat of England in 1980.

Philip Evans on the problems thrown up by the World Cup draw

The only other team who did not have to qualify, Argentina, are in the opening match on June 8 in Milan against Cameroon, the only participants never to lose a match in the World Cup finals (in 1982 they gained three draws including one against the eventual winners, Italy). The holders will meet the experienced midfield skills of Herbert Prohaska, who used to play for Roma and Internazionale.

Of their opponents who play each other in the other new stadium at Bari, the most feared should be the Soviet Union, the only country in Eastern Europe to qualify for the last three world cups. Finalists of both the 1988 European Championship and Olympic Games, they have midfielders Alexander Zavarov and Sergei Aleinikov playing in Italy. Romania could also be a problem, having beaten Italy 1-0 recently and in November qualified by coming back after being a goal down to defeat the popular Denmark 3-1. Midfielders Gheorghe Hagi and Marius Lacatus will be among the first to wish each other a happy Sweden could be difficult opponents, for there are many Swedes who have first-hand

1989 WORLD RANKINGS (Last year's position in brackets) MEN WOMEN

1 (4) Boris Becker (GER) 1 (7) Steffi Graf (GER)
2 (2) Ivan Lendl (TCH) 2 (9) Martina Navratilova (CZE)
3 (3) Stefan Edberg (SWE) 3 (8) Arantxa Sanchez Vicario (ESP)
4 (1) John McEnroe (USA) 4 (2) Gabriela Sabatini (ARG)
5 (5) Michael Chang (USA) 5 (4) Monica Seles (YUG)
6 (6) Brad Gilbert (USA) 6 (4) Chris Evert (USA)
7 (8) Aaron Krickstein (USA) 7 (6) Zina Garrison (USA)
8 (10) Miloslav Mecir (CZE) 8 (5) Helena Sukova (CZE)
9 (9) Tim Mayotte (USA) 9 (3) Manuela Maleeva (BUL)
10 (5) Andre Agassi (USA) 10 (2) Catarina Lindqvist (SWE)

CROSSWORD

No. 7,126 Set by CINEPHILE. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday January 10, marked Crossword 7,126 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8HL. Solution on Saturday January 13.

Crossword puzzle grid with numbered squares for clues.

- ACROSS: 1, 4 Way last victory transformed struggle in Europe (6,5,3). 9, 10 Best with passage (part of symphony) involving Newman (6,6). 12, 13 Food on tables with man between (8,6). 15 Sould for speed? (4). 16 Panegyrics in cameo possibly (7). 20 Spanish gentleman concealed and left in past (7). 21 Ten-minute flirt? (4). 22, 23 Eisenhower on holiday dining series of anti-uniform activity (6-9). 24, 25 While escaping, doctor struggles with travelling shows (2-6,5). 30, 31 Heavily show, and not Becker came out simply confident and proceeded to

TELEVISION & RADIO

Television and radio schedule for Saturday. Includes channels like BBC1, BBC2, Channel 4, Granada, Central, Channel, HTV West, Ulster, Yorkshire, Radio 3, Radio 4, Radio 5, Radio 6, Radio 7, Radio 8, Radio 9, Radio 10, Radio 11, Radio 12, Radio 13, Radio 14, Radio 15, Radio 16, Radio 17, Radio 18, Radio 19, Radio 20, Radio 21, Radio 22, Radio 23, Radio 24, Radio 25, Radio 26, Radio 27, Radio 28, Radio 29, Radio 30, Radio 31, Radio 32, Radio 33, Radio 34, Radio 35, Radio 36, Radio 37, Radio 38, Radio 39, Radio 40, Radio 41, Radio 42, Radio 43, Radio 44, Radio 45, Radio 46, Radio 47, Radio 48, Radio 49, Radio 50, Radio 51, Radio 52, Radio 53, Radio 54, Radio 55, Radio 56, Radio 57, Radio 58, Radio 59, Radio 60, Radio 61, Radio 62, Radio 63, Radio 64, Radio 65, Radio 66, Radio 67, Radio 68, Radio 69, Radio 70, Radio 71, Radio 72, Radio 73, Radio 74, Radio 75, Radio 76, Radio 77, Radio 78, Radio 79, Radio 80, Radio 81, Radio 82, Radio 83, Radio 84, Radio 85, Radio 86, Radio 87, Radio 88, Radio 89, Radio 90, Radio 91, Radio 92, Radio 93, Radio 94, Radio 95, Radio 96, Radio 97, Radio 98, Radio 99, Radio 100.

SUNDAY

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